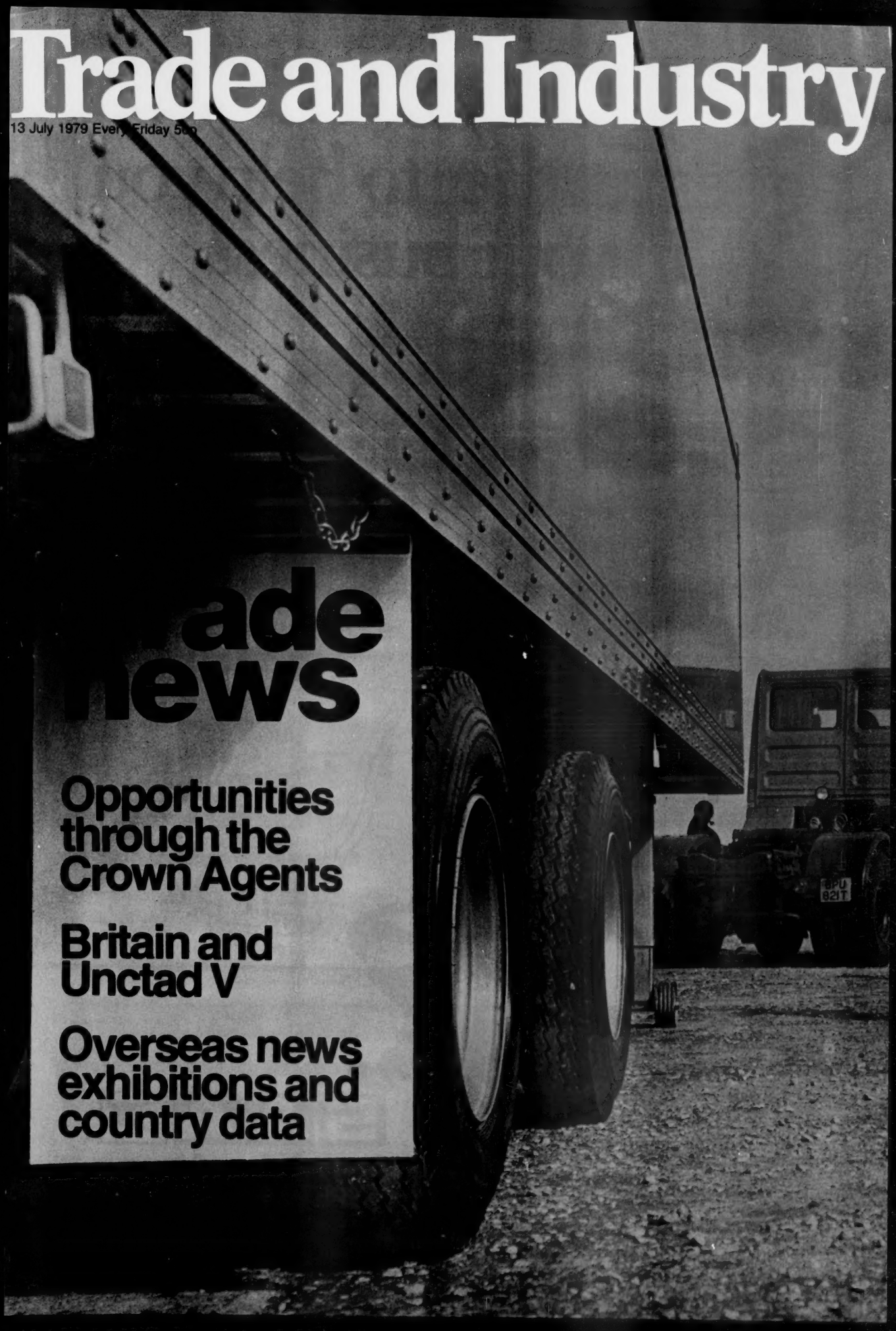
Trade and Industry

13 July 1979 Every Friday 5



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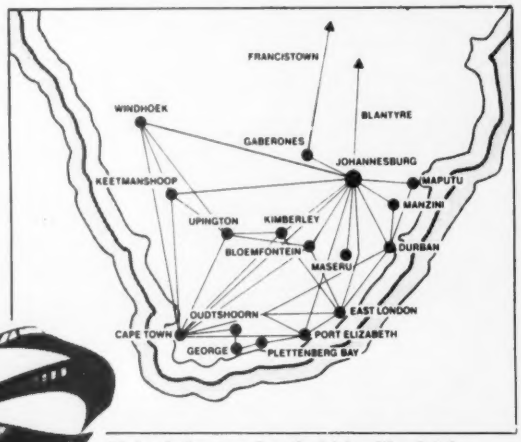

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Trade and Industry

13 July 1979

Weekly news magazine of the Departments of Industry and Trade

Opportunities for suppliers through the Crown Agents (page 82) and Britain's role at Unctad V (page 80) are the themes for this week's trade features.

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Editorial
Eleventh floor, Millbank Tower, Millbank,
London SW1P 4QU
Telex 918829 answer back MBTWRG
Editorial inquiries 01-211 6088
01-211 6188
01-211 6177

Managing editor	Alan Williams	
Editor	Gillian Samuel	
News editor	Maureen Miller	
EEC news	Jim Hogan	
Overseas and technology news	Peter Curtis Geoff Heaford	
Home news, statistics and art	Bob Priestley John Rowles	
Special features	Ann Edge	
Business manager	Raymond Wilson	01-211 6112
Assistant business manager	Jackie Stephens	01-211 6136
Circulation control		01-211 6074

Advertisement department
13 Great James Street, London WC1N 3DP 01-242 9478
Telex 299043 answer back ADDEPT G

Advertisement director	Dudley Masters
Advertisement Manager	Austin Hogarth
Advertisement executive	Chris Atkin

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Trade and Industry this week

Government aims to increase North Sea exploration

It is the government's aim that exploration work on the United Kingdom continental shelf should go ahead with increased vigour, David Howell, Secretary of State for Energy, says in the foreword to the 1979 Brown Book, published on Tuesday. The Brown Book is the secretary of state's annual report to parliament on the development of UK oil and gas resources.

Exploration work should go forward with increased vigour, says Mr Howell, so as to secure timely and successful development in the years ahead when production from existing fields begins to decline.

'To this end the government is rapidly reviewing existing policies including those for licensing new territory on the UK continental shelf, for the assignment of licences and for the role of the British National Oil Corporation, Mr Howell writes. 'We want to create the conditions in which all concerned can play their part in the development of our oil and gas resources for the benefit of the nation as a whole.'

North Sea oil: 106 million tons produced to end of 1978 – remaining reserves 2300 to 4300 million tonnes.

Value of oil and gas

In 1978 the value of North Sea oil and gas amounted to £4.8 billion – £2.8 billion for oil and £2 billion for gas. The Brown Book says that though the resources needed in the production of oil and gas are substantial, there remained 'a very significant excess of revenues over costs, a large part of which accrue to the nation as receipts of royalties and taxes on profits'. In the financial year 1978–79 government revenue attributable to North Sea oil and gas amounted to about £520 million. This comprised £288 million from royalties, £183 million from petroleum revenue tax and £50 million from corporation tax. Expenditure on exploration in 1978 was £257 million, £118 million less than in 1977.

Offshore supplies

Of the £1,574 million of orders for goods and services for the UK continental shelf in 1978 two-thirds (£1,037 million) was won by the UK offshore supplies industry.

In July 1978 some 12 500 people were estimated to be employed on offshore installations such as rigs and platforms, 400 more than in 1977. Just over 85 per cent were British.

In 1978, £1,732 million was spent on the construction and installation of platforms and associated equipment, on production and appraisal drilling, on pipelines and on-shore terminals (£1,556 million in 1977).

Corresponding figures for gas fields were £283 million in 1978 and £334 million in 1977.

In 1978 total capital investment in oil and gas production was £2.3 billion representing about 22 per cent of all UK industrial investment. The corresponding figure in 1977 was £2.1 billion.

New production forecasts

The Brown Book contains a new, five-year forecast of oil production from the UK continental shelf. The forecasts up to 1981 are somewhat lower than the previous estimates (announced by the Department of Energy on 1 December 1978) and take more acount of delays to offshore developments. These delays have the effect of deferring some production so that forecasts after 1981 are unchanged or even increased. The new forecasts, in millions of tonnes, are: 1979, 70 to 80; 1980, 85 to 105; 1981, 95 to 115; 1982, 115 to 140; 1983, 115 to 140.

On oil reserves the Brown Book says between 2400 and 4400 million tonnes of oil are believed originally to have been in place. Up to the end of 1978, 106 million tonnes had been produced since the first oilfield began production in 1975. Remaining reserves are therefore estimated to lie within the range 2300 to 4300 million tonnes.

New UK policy on whaling announced

A radical change in UK policy on whaling was announced on Monday by Peter Walker, Secretary of State for Agriculture, Fisheries and Food. Replying to a parliamentary question, Mr Walker said he believed that the present methods used to kill whales were unsatisfactory. He was not convinced that the science of whale populations was yet adequate to enable catch quotas to be set at levels which could be guaranteed to prevent a continuing decline in stocks.

He told the house that the UK would be seeking to secure a moratorium on commercial whaling at the International Whaling Commission's (IWC) annual meeting which took place this week in London. During the period of such a moratorium, the UK would press for further studies, he said. The UK would also support the principle of whale sanctuaries.

He explained that special considerations applied to aboriginal whaling by Eskimos and similar peoples to meet iocal nutritional and cultural requirements. The government believed, he stressed, that such activities should be allowed to continue under strict controls.

The government, he said, would be seeking to obtain agreement within the EEC for a community-wide ban on imports of sperm whale oil and other derivatives, and would also enter into discussions with the user industries.

He emphasised the government's concern that the effectiveness of the measures taken by the IWC to conserve whales should not be undermined by indiscriminate whaling by non-member countries. He was therefore considering whether the UK could take any further steps to help this objective.

The IWC, he said, remained the most appropriate body for ensuring international co-operation towards the effective conservation of whales, and the UK would continue to be a member and play a full and active part in its activities.

In his opening address to the IWC's thirty-first annual meeting in London on Monday, Alick Buchanan-Smith, Minister of State, Ministry of Agriculture, Fisheries and Food, pointed out that large-scale commercial whaling had placed the survival of some species at risk. Since the IWC was established in 1946, nearly every whale stock had declined and some species had had to be totally protected.

He recognised that, in recent years, the IWC had greatly improved its procedures which were now sufficiently developed to prevent currently exploited stocks from becoming extinct. But this was not enough. Experience

had shown that the IWC quotas had often had to be reduced subsequently as better data became available to the scientific committee. He was also concerned that some data collected from whaling operations was still waiting to be analysed.

Mr Buchanan-Smith pointed out that the UK had banned the import of whale products, except those derived from the sperm whale, in 1973.

Consumer credit licences to be extended

Current and future consumer credit licences are to be extended from three to 10 years. New regulations laid before parliament on Tuesday will come into operation on 1 August.

Answering a parliamentary question, Sally Oppenheim, Minister for Consumer Affairs, said she attached considerable importance to this matter because of the burden the licensing provisions could place on traders, especially on small firms. Following an initial review, she had concluded that this burden could be considerably reduced without diminishing the benefits the act brought to consumers of credit. She told the house that she had therefore decided that the period of validity for standard licences, whether already issued or issued in future under the act, should be 10 years.

'This will result in a saving of manpower in the Office of Fair Trading but, to ensure that this change does not result in an increase in net costs, the fees for new licences having the longer period of validity will be increased,' she said.

The operation of the licensing system would be kept under continuous review, she added, and she did not rule out the possibility of primary legislation if more fundamental changes were considered appropriate.

Vehicle safety subject to code

Public interest is to be safeguarded by a new code of practice in cases where vehicle defects appear to result from faulty design or manufacture. Following recent public concern about the arrangements for dealing with defective vehicles, transport minister Norman Fowler, in a written parliamentary reply on Tuesday, said that he had agreed a new code of practice with the Society of Motor Manufacturers and Traders which set out the steps to be taken in all cases where evidence came to light of vehicle defects resulting from faults in manufacture and which seemed to have wider safety implications.

The code required that a manufacturer must notify him as soon as he concluded that a particular vehicle had a serious safety defect. The manufacturers had also agreed to let him have information about defects which he took up with them direct so that he might consider the evidence and advise them to take action if that seemed justified.

Steps manufacturers should take to notify owners when launching recall campaigns was also specified in the code. Mr Fowler was making available the facilities of the Driver and Vehicle Licensing Centre to help in contacting owners.

The code recognised the minister's right to publish information about defects when he believed this necessary in the public interest. A regular publication of a digest of cases on which action has been taken was proposed.

Mr Fowler said that motorcycles, trailers and caravans were not covered by the code, nor were components supplied as replacements, but he would consider with the representative bodies concerned the possibility of similar codes for them. He hoped the new voluntary code would give the public much greater protection in future but he would keep the new arrangements under very close scrutiny.

Tourist business cannot relax – Montague

Tourism is now very big business, contributing some £6,000 million a year to Britain's economy and employing directly and indirectly more than a million and a half people. Speaking at the presentation of the English Tourist Board's tenth annual report on Tuesday, the board's chairman Michael Montague said: 'If we relax our efforts to attract and satisfy tourists, both from home and abroad, there are plenty of foreign competitors ready and willing to take our business.'

The report reveals that there was a substantial increase in the value of domestic tourism in England in 1978. Spending by British tourists increased by 20 per cent over the previous year, to £2,400 million. In addition, £2,250 million was spent in England by overseas visitors. Within this total the performance of particular types of tourism varied. Using numbers of tourist trips as a measure, business and conference tourism decreased by 10 per cent between 1977 and 1978 and short holidays, of less than four nights, also decreased.

These decreases were balanced by a 5 per cent increase in long holidays, which are the mainstay of England's domestic holiday business. The number of nights spent on long holidays was 260 million, a marginal increase on 1977, but this was accompanied by a massive 28 per cent increase in spending.

Mr Montague said that the rising cost of petrol might well bring a change in holidaymaking habits, affecting the strong trend of recent years towards mobile, motoring holidays. He foresaw the prospect of a return to centre-based holidays – in other words, people would stay in a holiday resort of their choice, making only short journeys to explore nearby attractions.

He was concerned that more thought should be given by local authorities to the employment opportunities of tourism. Planning for the leisure industry, as a creator of jobs, was just as important as making provision for jobs through manufacturing industry.

High road taken for microelectronics in Scotland

Activities of the wide range of Scottish organisations engaged in microelectronics are to be co-ordinated and given direction by the government's strategy for the development of microelectronics in Scotland. The strategy was outlined in Glasgow on Monday by Scottish Office industry and education minister Alex Fletcher at a government sponsored seminar.

Strengthening the microelectronics industry in Scotland was a major aim of the strategy. Mr Fletcher said that the government was seeking new inward investment and encouraging expansion of companies at present in Scotland. In maintaining the impetus for applying the new technology, there was a pressing need for more widely available information, advice and expert assistance for companies – especially those which had not traditionally used electronic devices.

Professional engineers presently in industry would in many cases, he said, need to supplement their existing skills with specialist training in microelectronics; industry would also have a requirement for assistance with research and development both in the design of microelectronics components and in their applications to products and processes. This wide range of requirements – awareness, information and advice, training and research and development – could not be met by any one organisation or institution, but the government believed that there was need to provide a focus to co-ordinate and give direction to the activities of the wide range of Scottish organisations engaged in this field.

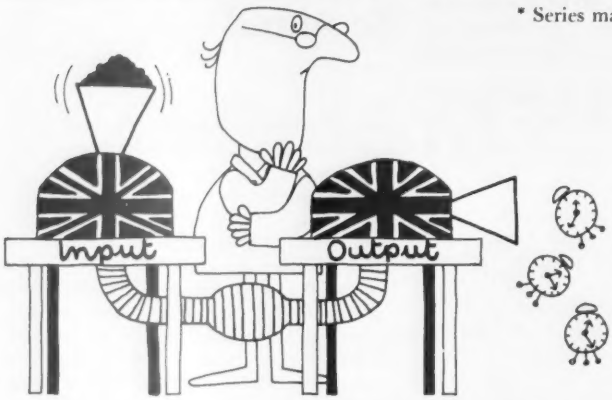
'We are looking urgently at the ways in which this might be done – perhaps through the designation of an existing establishment as a microelectronics centre which could develop the provision of these services and functions – but have yet to reach firm conclusions,' said Mr Fletcher.

One of the most critical constraints on development in this as in so many other areas was the availability of skilled manpower. He was convinced that the exploitation of microelectronics would make demands for skills – especially for technician skills – of a quite different order of magnitude to anything that had been experienced before. The Manpower Services Commission was already taking steps to expand the provision of courses in Skillcentres and educational institutions, and the government was providing direct support to organisations and institutions setting up training courses for those already working in industry.

All parts of the education service would have an important part to play – schools, further education colleges, central institutions, colleges of education and universities. The general conclusion was that what was required was more a change of pace than a complete change of direction. Any new developments had to be looked at in the usual context of competing claims and limited resources. Mr Fletcher hoped fairly soon to say rather more about specific developments in the field of education.

Economic indicators at a glance

* Series marked with an asterisk are not seasonally adjusted.



Output

Gross domestic product. The output measure of gdp fell by 1 per cent between fourth quarter 1978 and first quarter 1979, largely as a result of bad weather and industrial disputes, especially in the road haulage industry. Manufacturing output fell by 1 per cent and the output of the construction industry, particularly dislocated by the severe weather, dropped 10 per cent. These falls were partially offset by a rise in the output of both the gas, electricity and water industries and the mining and quarrying industries, the latter incorporating the steady growth in North Sea oil production. Within the service industries, also affected by the bad weather and industrial disputes, the fall in output of the transport industries was 6 per cent.

Index of industrial production. Provisional estimates for the first four months of 1979 suggest that, in total, the underlying level of industrial output was much the same as it was in summer 1978, a small reduction in manufacturing industries' output was broadly offset by an increase in the output of the energy sector. (May index due to be published today, 13 July).

Consumers' expenditure

Consumers' expenditure in the first quarter 1979 is estimated to have risen by about 1¼ per cent despite a 1½ per cent fall in retail sales. The rise was mainly due to the substantial increase in expenditure on fuel and light and an increase in expenditure on motor vehicles both of which are not covered by the retail sales index. In the latest two quarters, expenditure rose by 1½ per cent though it was 5 per cent higher than a year earlier.

Retail sales. Revised figures for the volume of retail sales in May show that trade in non-food shops fell from the high level in April when their sales appeared to be making good for trade lost in the first quarter. However, sales in May of both food and non-food shops were significantly higher than the level in the fourth quarter of 1978. In the first five months of 1979 the average level of sales was little changed compared with fourth quarter 1978. There was an increase of 2 per cent in sales by durable goods shops and a 1 per cent rise in food shops. However, there were falls of 1 per cent in clothing and footwear and other non-food shops.

Prices and costs

Wholesale price index* (provisional) for materials and fuel purchased by manufacturing industry rose by just over ½ per cent in June, somewhat less than in the previous months of the year. Further higher crude oil prices, only partly offset by sterling's appreciation, made the largest positive contribution. In the latest three months the index increased by 5½ per cent and was 9½ per cent higher than a year earlier. The index for materials, excluding crude oil, purchased by the non-food, drink and tobacco manufacturing industries, fell by ¾ per cent in June but in the latest three months rose by 3¼ per cent. The index for wholesale output prices for home sales of manufacturing industries has been rising much faster since the beginning of the year than in 1978 and in June rose by 1¾ per cent. Higher prices for petroleum products were a major cause of the increase. In the latest three months the index increased by 4 per cent and was 10½ per cent higher than a year earlier.

Retail prices index* rose by ¾ per cent in May after the sharp rise of 1¾ per cent in the previous month associated with seasonal increases in rates and rents. Much of the increase in May was due to rises in non-seasonal food prices and motoring costs. The year-on-year increase continued to rise and was 10.3 per cent in May. The budget changes in indirect taxes will affect the index for July and are expected to add directly about 3¾ per cent to the index by the autumn. (June index due to be published today, 13 July).

Terms of trade* During the three months ended May export prices rose faster than those of imports and the terms of trade index rose by 3 per cent on a year earlier. (Figures for June due to be published 16 July).

UK competitiveness, measured by normalised unit labour costs, worsened again in 1978 Q4 as sterling continued to rise.

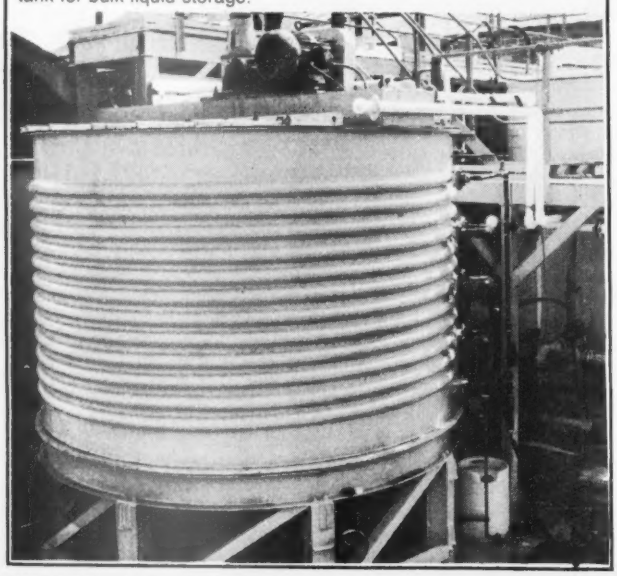
Investment

Manufacturing industry's volume of fixed investment (revised figures) fell by less than 1 per cent in the six months ending 31 March but was 4½ per cent higher than a year earlier. However, excluding the iron and steel industry investment increased by 1 per cent in the latest two quarters and was 9½ per cent higher than a year earlier.

Distributive and service industries' volume of fixed investment (excluding shipping) rose by about 2½ per cent in 1979 Q1.

The DoI investment intentions survey carried out in April/May confirms the results of the previous surveys which indicated a further increase in 1979 in the volume of investment by both manufacturing industry and the distributive and service industries (excluding shipping). It also supports the previous expectation that the upward trend in investment will continue in 1980 for the distributive and service industries but probably not for manufacturing. The volume of investment by manufacturing, which rose by 7 per cent in 1977 and 8 per cent in 1978, is expected to

A recently commissioned fine chemicals plant at Croda Bowmans' Moss Bank site in Widnes, Cheshire, heralds the start of an investment in personnel and plant to produce an increasing range of products for the pharmaceutical, veterinary, photographic and animal feed manufacturing industries. The new plant provides additional capacity to the company's existing plant at Inverness. Croda Bowmans' fine chemicals turnover has increased from £50 000 in 1975 to around £500 000 last year. Picture shows a 3 000 gallon nickel lined tank for bulk liquid storage.



More information

For a backrun of figures for some of these indicators see 'The economy: selected indicators', page 91. Inquiries on any of these indicators should be addressed to Economics and Statistics Division 4B, Departments of Industry and Trade, Room 173, 1 Victoria Street, London SW1H 0ET, tel. 01-215 3453.

increase by 2 to 5 per cent in 1979 (against 4 to 8 per cent expected by the December survey), with possibly a slight fall in 1980. Investment by the distributive and service industries (excluding shipping) is expected to rise in 1979 for the fourth consecutive year. The latest information indicates that the outcome is likely to be in the range 5 to 7 per cent, with a further increase of similar magnitude in 1980.

Incomes

Real personal disposable income (RPDI) was unchanged in first quarter 1979 but was 7½ per cent higher than a year earlier. The savings ratio fell to 15 per cent – about the average for the year ended first quarter 1979.

Average gross earnings* (new series) rose by about ½ per cent in April. The year-on-year increase fell from 14.6 per cent to 13.5 per cent mainly because the April 1978 figure was boosted by backdated pay settlements. By April about half of those workers likely to settle in major agreements had settled and received increases, about the same proportion as a year earlier. Average earnings have increased by 8 per cent in the current pay round compared with 8¾ per cent at the corresponding time last year, still suggesting that the outcome of the present pay round will be much the same as last year's.

Labour

Unemployment (UK excluding school leavers) fell by 26 800 during June to 1 279 600 (5.3 per cent of all employees). This was the lowest figure since June 1976. Unemployment in June was down in all the English regions and in Scotland, Wales, and Northern Ireland. With the fall of 40 000 since the beginning of this year and the steady decline throughout 1978 the level of unemployment is now 145 000 lower than the peak at the end of 1977.

Unfilled vacancies (mainly for adults) notified to employment offices in June numbered 262 400 – an increase of 5100 since May.

Companies

Gross trading profits of industrial and commercial companies, excluding those engaged in North Sea oil and gas activities and net of stock appreciation, fell by over 20 per cent in first quarter 1979 as a result of the severe weather and industrial disputes. In the latest two quarters combined, profits were 6½ per cent lower than a year earlier.

Liquidity of the (large) industrial and commercial companies replying to the DoI's company liquidity survey fell appreciably in the first quarter 1979, bringing their net current assets and liquidity ratio to the lowest levels since mid-1977. Liquidity has now fallen for three consecutive quarters, after rising strongly from the third quarter 1977 to the second quarter 1978.

Net borrowing requirement of industrial and commercial companies' was much the same in 1978 as in 1977.

Balance of payments

Current account of the balance of payments in the five months to May was in deficit by £1,079 million. The latest figures have been distorted by the effects of the road haulage dispute and the delays in the flow of information to Customs and Excise, and are not thought to be a good guide to the underlying trend. There was a deficit of £1,693 million on visible trade in the first five months of 1979 (£339 million a month) compared with a deficit of £406 million (£68 million per month) in the second half of 1978. The projected surplus on invisibles in the first five months of £614 million contains a lower figure for April and May reflecting higher net contributions to the EEC in the second quarter. The current account was thus in deficit by £1,079 million in the first five months of 1979 (£216 million per month) compared with a surplus of £604 million (£101 million per month) in the second half of last year. (Figures for June due to be published 16 July).

UK official reserves* (revalued in March at market related rates) rose by $538 million in June to a record level of $22,070 million. There was also a net repayment of $50 million by the public sector under the exchange cover scheme.

Volume of trade. After making rough allowance for the distortions in the trade figures, the volume of exports is thought to have fallen a little so far this year. One major reason for this fall is the lower level of deliveries to Iran and Nigeria (a decline of £100 million a month in value terms). On the other hand, the volume of imports has increased in the same period with large rises in imports of road vehicles and chemicals, possibly for stockbuilding. (Figures for June due to be published 16 July).

DoT's survey of short-term export prospects, based on replies received from 57 large exporting companies, suggests that the total volume of UK visible exports will rise by about 2 per cent in 1979, a slower growth rate than the 3½ per cent in 1978.

Exchange rates

The bank note rates of exchange in London on 6 July are given below. Supplied by Thomas Cook Bankers Ltd, the rates are intended as a guide only and are subject to fluctuation. OECD countries are shown in bold.

		You buy at	You sell at
Afghanistan	Afghani	125	145
Andorra	(See France/ Spain)	—	—
Antigua	E. Caribbean dollar	5.42	5.62
Argentina	Peso	2 550	2 850
Australia	**Dollar**	**1.9750**	**2.0350**
Austria	**Schilling**	**31.50**	**29.50**
Bahamas	Dollar	2.10	2.25
Bahrain	Dinar	0.8350	0.87
Barbados	Dollar	3.96	4.29
Belgium	**Franc**	**68**	**71.50**
Belize	Dollar	4.20	4.77
Benin	CFA	475	495
Bermuda	Dollar	2.05	2.19
Bolivia	Peso	43	53
Botswana	Pula	1.98	2.28
Brazil	Cruzeiro	65	81
Brunei	Dollar	4.66	4.86
Cameroon	CFA	475	495
Canada	**Dollar**	**2.5575**	**2.6275**
Chile	Peso	75	90
China	Ranimbi Yuan	Refer	Refer
Colombia	Peso	83	99
Costa Rica	Colon	18.50	20.50
Cyprus	Pound	0.72	0.76
Denmark	**Krone**	**11.59**	**12.09**
Dominica	E. Caribbean dollar	5.42	5.62
Ecuador	Sucre	56	66
Egypt	Pound	1.60	1.74
Eire	**Pound**	**1.0550**	**1.0950**
Fiji	Dollar	1.8050	1.8850
Finland	**Markka**	**8.50**	**8.85**
France	**Franc**	**9.35**	**9.75**
Germany, FR of	**Deutschmark**	**4.03**	**4.25**
Gibraltar	Pound	1.00	1.03
Greece	**Drachma**	**78**	**83**
Grenada	E. Caribbean dollar	5.42	5.62
Guyana	Dollar	9.25	Refer
Hong Kong	Dollar	11.15	11.58
Iceland	**Krona**	**825**	**855**
Indonesia	Rupiah	1 200	1 600
Iran	Rial	225	Refer
Iraq	Dinar	0.77	0.82
Israel	Pound	48	53
Italy (20 000 and smaller)	**Lira**	**1 790**	**1 875**
Japan	**Yen**	**483**	**508**
Jordan	Dinar	0.65	0.69
Korea	Won	1 200	1 600
Kuwait	Dinar	0.5950	0.6250
Lebanon	Livre	7.30	7.80
Liberia (see USA)		—	—
Libya	Dinar	0.90	1.15
Luxembourg (see Belgium)	**Franc**	**68**	**71.50**
Madeira (see Portugal)	Escudo	104	109
Malaysia	Dollar	4.64	4.86
Malta	Pound	0.745	0.775
Mauritius	Rupee	11.88	13.75
Mexico	Peso	46	56
Monaco (see France)	Franc	—	—
Netherlands	**Guilder**	**4.44**	**4.67**
New Zealand	**Dollar**	**2.14**	**2.23**
Nigeria	Naira	2.35	Refer
Norway	**Krone**	**11.07**	**11.52**
Oman	Rial	0.7475	0.7925
Pakistan	Rupee	Refer	Refer
Peru	Sol.	460	590
Philippines	Piso	15.50	18.50
Portugal	**Escudo**	**104**	**109**
Qatar	Rial	8.36	8.71
Saudi Arabia	Rial	7.48	7.84
Seychelles	Rupee	12.87	13.35
Sierra Leone	Leone	2.25	2.50
Singapore	Dollar	4.60	4.84
South Africa	Rand	2.24	2.44
Spain	**Peseta**	**144**	**151**
Sweden	**Krona**	**9.34**	**9.74**
Switzerland	**Franc**	**3.62**	**3.84**
Syria	Pound	9.20	9.70
Taiwan	Dollar	85	105
Thailand	Baht	41	47
Trinidad and Tobago	Dollar	5.30	6.40
Turkey	**Lira**	**41**	**43**
Uganda	Shilling	Refer	Refer
United Arab Emirates	Dirham	8.59	8.94
USA	**Dollar**	**2.22**	**2.29**
Venezuela	Bolivar	8.80	10.30
Yemen Arab Republic	Rial	12	15
Yugoslavia	Dinar	41	43
Zambia	Kwacha	4.25	5.75

Where more than one rate applies to a currency, the rate given is that for small denomination notes.

A fall in volume of 2 to 3 per cent is expected in the first half 1979, due to the lower shipments to Iran and Nigeria, followed by a rise of 5 to 6 per cent in the second half 1979. Respondents expect the year-on-year rise in export prices to be 13 per cent in the rest of 1979 compared with 9½ per cent in the first quarter and around 4 per cent in 1978.

Exchange rate

Effective sterling exchange* rate index rose strongly in June and its average for the month, of 68.3, was the highest for over three years. Since the end of June the demand for sterling has remained strong and by the close on Thursday 5 July the index was 71.2 (December 1971 = 100).

Finance

Public sector borrowing requirement (PSBR) fell to £2.6 billion in the fourth quarter of the financial year 1978-79. The PSBR for the full financial year amounted to £9.2 billion.

Domestic credit expansion was quite large again in May at £0.9 billion. The central government borrowing requirement was lower than in April, but sales of government debt were also lower and a sizeable amount of certificates of tax deposit was redeemed. Bank lending to the private sector continued at a high level.

Sterling M3 rose by £0.6 billion (1½ per cent), rather less than DCE, implying some external outflow from the private sector. In the seven months since mid-October it has risen by about 7½ per cent, 13 per cent at an annual rate. The new guidelines for £M3 from mid-June 1979 to mid-April 1980 are 7 to 11 per cent at an annual rate.

Bank of England minimum lending rate (MLR) – 14 per cent, effective from 13 June.

Home news

Industrial relations legislation proposals published

Government proposals for changes in the law on picketing and the closed shop and for legislation to provide financial aid for trade union postal ballots are set out in three working papers published on 9 July by the Department of Employment and summarised below.

The papers follow informal discussions between the government, the Trades Union Congress and the Confederation of British Industry and set out in detail the government's present thinking on the legislative clauses needed to give effect to the government's commitments on industrial relations.

Employment secretary James Prior described the proposed changes as 'limited but vitally important'. They were directed, he said, 'to particular problems which have given rise to widespread public concern and on which we believe there is general agreement that changes in the law are needed.'

Mr Prior said the government intended the papers to provide the basis for full and detailed consultations over the next two to three months before final decisions were taken.

Public funds for union ballots

The purpose of legislation will be to remove major financial constraints on unions from holding important ballots to enable them increasingly to employ secret ballots on important issues. It is suggested that the scheme should cover, initially: elections to full time trade union officer and to the executive or other governing body of an independent trade union; matters involving changes in union rules; and the calling or ending of strikes.

The government proposes that the legislation should be framed to enable a trade union to seek reimbursement of the reasonable postal costs of conducting a secret ballot on one or more of the matters listed above. This would enable unions to claim reimbursement of at least the cost of using the cheapest postal method and, at the discretion of the certification officer, of the cost of using first-class post.

An important issue to be resolved, the paper says, is whether public funds should also be made available for secret non-postal ballots at the workplace. The paper says that special safeguards may be necessary on this matter.

Picketing

In drawing up its proposals on picketing, the paper says that the government has considered the need not to create sources of conflict gratuitously, and not to place an impossible burden on the police. The police already have powers to limit the number of pickets at any one site and to deal with obstruction, violence, threatening behaviour and breaches of the peace. It is not therefore proposed that picketing outside redefined limits should be made a criminal offence.

Instead it is proposed that the redefinition of the limits of lawful picketing should be achieved by an amendment of the Trade Union and Labour Relations Act 1974. This would restrict the application of section 15 of the act to those who are party to the trade dispute which occasions the picketing and to the picketing which they carry out at their own place of work. This by itself would not provide sufficiently effective limitation. One further approach would be to limit the immunity conferred by section 13 to persons who picket within the redefined limits. Another approach would be to limit the immunity conferred by section 13 in respect of all forms of industrial action.

The government is also proposing that legislation should provide a power for the secretary of state for employment to draw up a code covering all aspects of picketing. The code would have status in law in that it could be taken into account in court proceedings. As a document approved by parliament it could be expected to have considerable moral force, as well as helping to bring about a more consistent interpretation of the law by police and magistrates. One possibility would be for the code to be drawn up by the Advisory Conciliation and Arbitration Service, subject to government approval.

The secretary of state would intend to make use of the power to draw up a code only in the absence of comprehensive and effective voluntary guidance, the papers points out.

Closed shop

The proposals on closed shops aim to ensure that they are established only with the wholehearted support of the workers covered and that there is a remedy for abuses of individual rights.

The government is proposing to extend the protection against dismissal for non-membership of a union in a closed shop – a protection now limited to those with genuine religious belief. The new categories of employees who whould be entitled to compensation if dismissed in these circumstances would be existing employees – those in the employment of the employer at the time of the operative date of the closed shop agreement and not members of the union concerned and those with deeply held personal conviction. On this, the question arises whether the protection should follow the existing 'religious belief' provision, and so apply only to a person who genuinely objects on grounds of deeply held personal conviction to being a member of any trade union whatsoever, or whether it should be widened to those who object on grounds of deeply held personal conviction to being a member of a particular union or those who object on reasonable grounds to being a member of a particular union as in the 1974 act.

The paper pointed out that the normal remedies for unfair dismissal under the Employment Protection (Consolidation) Act 1978 would be available for dismissal in these situations. Because, in the cases of dismissal in closed shops, union pressures may cause the dismissal, there would seem a strong case for enabling the employer, if he chooses, to join a union in any case brought against him. It would then be open to the tribunal in such cases to apportion any compensation payable between employer and union, as it thought appropriate. This process of joinder should, it is thought, only be available to the employer in the case and not to the applicant.

The government has considered how to give effect to the requirement that new agreements for a closed shop must be drawn up in accordance with best practice and only if an overwhelming majority of the workers involved voted for it by secret ballot. It is thought that this might best be done by providing, in primary legislation, that a new union membership agreement could only furnish an employer with a defence against unfair dismissal where it had been introduced following a secret ballot of those to whom it was to apply, in which an overwhelming majority had voted in favour of the agreement. It is also proposing a statutory code of practice to give detailed guidance on the ballot and on introducing and applying closed shops. The code would have status in law in that it could be taken into account in court proceedings.

The High Court would be the adjudicating body in the case of arbitrary exclusion or expulsion from union membership although the voluntary procedures for handling these types of problem would remain.

Productivity theme at NEDC

Productivity – the efficient use of all resources – was the main subject for discussion at the monthly meeting of the National Economic Development Council on 4 July.

Geoffrey Chandler, Director General of the National Economic Development Office (Nedo), said that the level of value added for each man in UK manufacturing industry was absolutely lower than in any other major industrial economy. However, this did not just mean tackling manning levels and labour productivity, he said, important as both these factors were. It meant improving the use of all resources – plant, buildings, energy, materials, bought-in components and marketing – and the techniques of manufacturing so as to make products that anticipated world demand.

Productivity in this sense could lead to increased output at lower or the same cost, he said. It could also lead to improved products in terms of higher value and better quality, reliability, delivery and fitness for purpose – the 'non-price' competitive factors which, as many of the sector working parties had shown, were as important as the price factor. Improving productivity was first and foremost a management responsibility, Mr Chandler added.

Industry secretary Sir Keith Joseph told the meeting that he would welcome discussions with both the Trades Union Congress and the Confederation of British Industry on productivity. In the light of these discussions, he hoped to put a paper to the NEDC in the autumn.

The council also discussed skill shortages in the engineering industry on the basis of a joint paper prepared by Nedo and the Manpower Services Commission. The paper points out that many engineering companies are facing significant skill shortages that could quickly become more widespread and serious when demand for UK engineering products increases.

Although some accounts of engineering skill shortages might be exaggerated and the position might have improved in recent months, council was told there continued to be a substantial loss of skilled workers from the engineering industry, particularly in the under-35 age group.

Report the VAT cheats, says Oppenheim

Consumer affairs minister Sally Oppenheim, has urged consumers to report to trading standards departments any trader who cheats on value added tax.

In reply to a parliamentary question on 5 July, Mrs Oppenheim referred to a minority of unscrupulous traders who misrepresented the price increase necessary to cover the increase in VAT. Pointing out that such traders could be prosecuted under the Trade Descriptions Act she added: 'I am sure that trading standards officers are keeping a careful watch on what is happening and I would urge consumers who have specific examples of the minority of unscrupulous traders who cheat in this way, to let their local trading standards department have full details.'

She pointed out that there would have been price increases which coincided with the change in VAT. Where this has happened it would be unfair to criticise traders. She said she was sure that, for the few traders who had cheated, there was a larger number who had borne the VAT increase themselves and had not raised prices.

She had had recommendations from the Director General of Fair Trading and from the Consumer Protection Advisory Committee on VAT-inclusive prices. She was examining these to see whether it was possible to ensure that shoppers were not misled about the amount of VAT included in the selling price.

No restriction on electricity prices

No restriction on the price of electricity is recommended by the Price Commission report published on 5 July. During its investigation, the commission decided to allow increases averaging 8 per cent to 8.6 per cent which the area boards had sought. The commission says the 2 per cent net profit margin on costs the increases were designed to achieve was not excessive.

The report recognises that the increases were justified and that, even with these increases, the area boards seem unlikely to meet the financial targets set for them by the previous administration. The commission concludes that the domestic standing charge has lagged behind other parts of the tariff and believes that domestic tariffs are now in need of adjustment.

Minister of State for Consumer Affairs Sally Oppenheim, commenting on the report, noted that in other cases the commission had been unable to justify holding back price increases for electricity. She recalled that the commission, which had seen fit to freeze domestic electric tariffs on 15 March had, on 17 May, permitted them to be made. Indeed, they were now suggesting that domestic prices should be higher than those which the area boards had notified.

Mrs Oppenheim said that the report had been brought to the attention of Secretary of State for Energy David Howell who had taken note of the references in it to energy policy. She added that they both welcomed the moves being made by the industry to publish performance indicators since it was important for public sector monopolies to provide information on their cost effectiveness.

'Area electricity boards – electricity prices and certain allied charges', ISBN 0 10 213280 1, is available from HMSO, price £2.50.

New director for DoI north-west region

Alistair McDonald has been appointed director of the Department of Industry's north-west regional office in Manchester. He succeeds Noel Belam who has retired after four years in the post.

Mr McDonald, who is 54, worked for 10 years with ICI before joining the Ministry of Technology in 1966. In 1974 he became an assistant secretary in the Department of Industry's shipbuilding policy division. Since June 1977 he has been on secondment to British Shipbuilders, where he was director for government liaison and more recently had responsibility for marketing in small shipyards.

Inland Revenue statements of practice

Inland Revenue has produced an index to statements of practice issued before a new series of statements was introduced on 18 July last year. The new series provides information on Inland Revenue administrative practice in a uniform, accessible and readily identifiable way. To complement the new series a review was made of statements relating to administrative practice issued before 18 July 1978 which remain valid.

An A4 loose-leaf index has been produced with titles of the statements listed in chronological order, with a summary of the point at issue and a reference to publication in the 'British Tax Review' and 'Taxation' where applicable. In future all statements of practice will be issued on A4 drilled paper to facilitate retention and access.

Copies of the statements and of the index may be obtained by calling at or writing to the Public Inquiry Room, Somerset House, Strand, London WC2R 1CB.

Butler visits Birmingham sorting office

Minister of State for Industry with responsibility for the Post Office Adam Butler visited on 9 July the Birmingham sorting office where a number of letter bombs have recently been discovered.

Mr Butler said that there has been a lot of criticism of the Post Office recently, and some of it was justified. But there were men and women in the postal service who regularly worked long and unsocial hours; while little enough had been said, for instance, about the many postmen who throughout one of the most severe winters for years, kept the mail service going in tough and unpleasant conditions.

Mr Butler continued: 'The risk of letter bombs is a new and particularly nasty hazard that the staff in this office have had to face. I am glad to say that there is still a strong tradition of loyalty in the Post Office.'

No levy for insurance protection

No levies for funds were made on insurance companies by the Policyholders' Protection Board last year and no levy is expected in the current year to meet the board's obligations to the policyholders of Capital Annuities and Fidelity Life.

The board's report for the year ended 31 March shows that policyholders of Capital Annuities (now in liquidation) have received 90 per cent of 'non-excessive' benefits due under their policies by way of interim payments and the issue of substitute policies by Commercial Union Life Assurance Co. Policies linked with mortgage loans under the homeowners' scheme were purchased from the liquidator by Hambro Provident Life Assurance whose offers of replacement policies on similar terms to the existing contracts were accepted by the policyholders involved. Only one very small range of specialised policies remains to be dealt with.

In a statement issued with the annual report, the board said it had 'therefore fulfilled its duty towards virtually all policyholders of Capital Annuities and is grateful to Commercial Union and to Hambro Provident for their co-operation'.

The board maintained its interest during the year in running of the closed fund of Fidelity Life Assurance.

The board was established in November 1975 to protect policyholders of any insurance company which might fail to meet its liabilities.

Merger proposal cleared

John Nott, Secretary of State for Trade, has decided on the information at present before him, not to refer the acquisition by H. J. Heinz Co. Ltd of Country Kitchen Foods to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973.

DoI advance factories for sale or lease

Roche
Work has started on an advance factory of 450 m² for the development commission at Victoria, Roche, Cornwall. The factory is of the terrace unit type and is divisible into two individual units of 225 m² each. The premises should be ready for occupation in December.

St Just
Work has also started on an advance factory of 450 m² for the development commission at Trewellard, St Just, Cornwall. The terrace unit type factory is divisible into two individual units of 225 m² each. The premises should be ready for occupation next January.

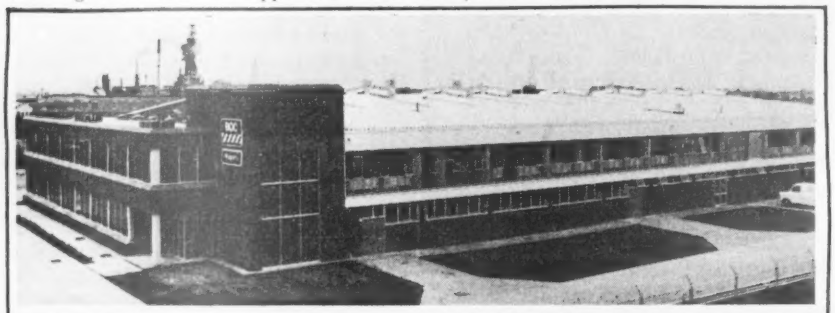
Inquiries regarding purchase or lease of this and the Roche factory: Department of Industry, Phoenix House, Notte Street, Plymouth PL1 2HF, tel. 0752 218914 or Regional Director, Department of Industry, The Pithay, Bristol BS1 2PB, tel. 0272 291071.

South Shields
Conversion of a factory into nine smaller units of 523 m² each for the Department of Industry has begun at Western Approach, South Shields. Premises should be ready for occupation next April.

Middlesbrough
Work has started on two advance factories, one of 2160 m² and one of 2600 m² for the Department of Industry at South Bank, Middlesbrough, Cleveland. The factories are of the terrace unit type and are divisible into four individual units, two of 540 m² each and two of 650 m² each. Premises should be ready for occupation in March.

Bellingham
Work has just started on an advance factory at 450 m² for the development commission at Bellingham, Northumberland. The terrace unit type factory is divisible into two individual units of 225 m² each. The premises should be ready for occupation at the end of December.

Inquiries regarding purchase or lease of this, the South Shields and the Middlesbrough factories: Regional Director, Department of Industry, Northern Region, Stanegate House, Groat Market, Newcastle upon Tyne NE1 1YN, tel. 0632 24722.



BOC Magnets opens £1.8m factory at Rainham

A new 3600 m² factory costing more than £1.8 million has been built for BOC Magnets, Rainham, Essex. It is said to be the largest and most modern in Europe specially designed to make sintered magnets. In addition to a completely new building, the opportunity has been taken to equip the new facility with some of the latest furnaces and other production equipment.

BOC Magnets now makes more than 900 shapes and types of sintered magnet which are used throughout the world for all types of electronic and electrical applications. The company employs about 150 people on the site and has complete design, manufacturing, testing and despatch facilities in this area.

Commenting at the recent official opening of the works, Brian Spencer, general manager, said the company intended to capture a larger share of world markets not only in the traditional product areas but in the new technology fields.

BOC Magnets' £1.8 million investment on the Rainham site brings the BOC engineering division investment to more than £12 million in the past three years. Investments include new factories for BOC Cutting Machines at Andover, Hants, BOC Gas Equipment at Skelmersdale, Lancs and major modernisation of BOC Murex, Waltham Cross, Herts, which concentrates on the making of arc consumables.

Testing magnetic strength of magnets using a permeameter.

Moving into the new factories

Makers of furniture, clothing, bread and barbed-wire reels are among those moving into new advanced factories built by the English Industries Estates Corporation for the Department of Industry.

Sutton-in-Ashfield. Shortall, a well-established furniture company has occupied an advance factory of 1350 m² on the department's site at Huthwaite Road, Sutton-in-Ashfield, Notts, and will use these new premises for the manufacture of wall units and cabinets. Shortall has an excellent order book and will initially employ 42 people with prospects of creating a further 58 jobs.

Hornby. Scott Hornby has occupied terrace unit premises of 450 m² on the Development Commission site at Hornby, Lancashire, in the north west intermediate area. The company is newly formed and will manufacture and assemble fitted bedroom and kitchen units to customer requirements. It expects to employ 20 people over the next two years.

South Shields. Davra Textiles has taken over further terrace unit premises of 250 m² on the department's Middlefields industrial estate, South Shields. The company manufactures clothing, mainly women's fashion dresses. It already occupies the adjoining terrace unit. Additional employment will be in the region of 20 workers over the next couple of years.

Hayle. Old-established bakery firm W. T. Warren and Son is to occupy an advance factory of 450 m² on the Department of Industry's site at Hayle, Cornwall. Approval has been granted for an extension to the factory of 500 m². It will use the premises for bread and cake making. The company expects to provide employment in the new factory, including the extension, for 35 people within three years.

Bootle. A. W. Cole (Wire Products) has occupied a further advance factory terrace unit of 325 m² adjoining its existing unit, on the department's site in Brook Road, Bootle, in the Merseyside special development area. The company manufactures a variety of metal products including reels for barbed wire, plant supports, welded mesh panels and light metal stampings. This new expansion unit will provide for a further eight employees.

New chief for industrial estates agency

Tony Pender will take over on 1 September as chief executive of the English Industrial Estates Corporation, in succession to Walter Bevan who is retiring after 42 years service.

Mr Pender, a 37-year-old chartered surveyor, worked the valuation office of the Inland Revenue before becoming property manager of the Scottish Exports Division and then commercial director of the Welsh Development Agency.

Industry minister meets small firms managers

David Mitchell, Parliamentary Under-Secretary of State, Department of Industry, met small firms information centre managers at their quarterly conference in London last week. He is seen with Matt Chisholm and Sybil Smith, managers of the Newcastle and London centres. Mr Mitchell assists industry secretary Sir Keith Joseph in his responsibility for small firms.

More productivity best way to increase exports – Howe

Improving productivity, non-price competitiveness and the supply side of the economy is the best way to increase British exports, Chancellor of the Exchequer Sir Geoffrey Howe said in the House of Commons on 3 July. 'This is the purpose of the government's policy and of the measures in the budget,' he said.

Replying to a parliamentary question, Sir Geoffrey said he recognised the genuine fears that a strong pound might make it harder in the short run to sell British exports in competitive world markets. But, he pointed out, a rise in exchange rate also helped to restrain the increase in domestic costs and reduced the rate of inflation by lowering the cost of imported raw materials.

Answering another question, Sir Geoffrey explained that following his budget announcement of very substantial relaxations to exchange controls and particularly to the controls on outward direct investment', he intended as time went by to take further steps in the progressive dismantling of these controls. 'But the pace of relaxation must be influenced by the strength of sterling as well as by the speed with which Britain's economic problems can be solved,' he stressed.

The Treasury announced on 4 July that exchange control rules which prevent UK merchants from using sterling to finance their third-country trade were being lifted from 5 July. Details are in exchange control notices issued by the Bank of England.

This means that UK resident merchants may use sterling without limit for the financing of third country trade – that is, the purchase of goods outside the scheduled territories for on-sale outside the scheduled territories, without passing through the UK.

The ban on UK resident banks financing such trade in sterling on their own account remains in force.

Overwhelming need for airport – BAA chairman

The need for a new airport in the south east to meet demand was overwhelming, Norman Payne, chairman of the British Airports Authority, told the Airline Public Relations Organisation in London on 3 July. This was so even taking into account factors like rising oil prices, possible long-term limits to the development of tourism, inflation and lower economic growth, he said.

The need was overwhelming, he went on, if Britain wished to stay in the forefront of world civil aviation, to expand trade with the rest of the world and to remain one of the west's leading commercial and financial centres, supported by the first-class communications.

Mr Payne said that in 1978 nearly 37 million passengers used the south-east airports, including Luton. Latest forecasts, which took account of fuel price increases, showed that annual passenger traffic would rise from about 50 million in 1983 at these airports to about 70 million in 1988.

In the early 1990s the level of demand should be in the 90 million bracket. These figures represented the mid-point between the upper and lower forecasts and assumed an annual growth rate of about 7 per cent over the next five years reducing gradually to less than 5 per cent thereafter. Heathrow currently had a capacity for 30 million passengers a year and Gatwick 16 million. The fourth terminal at Heathrow would lift the capacity to about 38 million and a second terminal at Gatwick would let that airport rise to an eventual 25 million in the 1990s. The contraint of a single runway forced slow growth from 16 million up into the over 20 million range.

Stansted could probably handle between 1 and 2 million passengers per year and Luton (not a BAA airport) could be expected to provide the capacity of not more than 5 million passengers a year. The practical combined annual passenger capacity of these airports was inadequate to meet the forecast demand beyond the late 1980s; 1987 was the current best guess for the date that Britain needed the first stage of a third airport in operation.

In spite of their dramatic short-term effects, Mr Payne warned that over-reaction to fuel shortages and price rises should be avoided. He believed that the industry would adjust to increased energy costs by increased efficiency, both in the design of aircraft now coming into service and also by operating procedures. New technology aircraft were 25 to 30 per cent more fuel efficient than those currently in use, and this efficiency came not only from engine improvements but also from airframe design and computerised flight operation.

Mr Payne said that aviation fuel accounted for just 3 to 4 per cent of total oil consumption. He pointed out that air carriers had clearly indicated their confidence in the maintenance of growth throughout the 1980s and 1990s, in spite of increased fuel costs, by the unprecedented level of orders for new aircraft.

Advance tickets for Skytrain services

Skytrain travellers to New York and Los Angeles will be able to buy tickets in advance, either from Laker Airway or its agents.

The Civil Aviation Authority (CAA) has approved Laker's application for this development of the Skytrain service – in spite of objections by British Airways and British Caledonian.

Skytrain is also being licensed to carry cargo over these routes.

Public hearing

At a public hearing to examine the applications, Laker said it was not abandoning the original concept of Skytrain but was seeking its development. It claimed that the proposal was logical and offered two new fare options – a Skytrain excursions service, a round-trip ticket purchased 21 days before outbound travel with a minimum stay of seven days, and a Skytrain 'reservaseat' service purchasable at any time for one-way and round-trip travel.

The CAA licensing panel said it was reasonably evident that Pan American's budget fare and TWA's standby fare could be regarded as economic only to the extent that they enabled seats to be filled that would otherwise be flown empty. Since under its existing air transport licence Laker could offer only a fully costed fare, it could not match fares that were marginally costed.

The CAA considered Laker's applications to be a reasonable commercial response in a highly competitive market.

British Caledonian

The CAA has also approved an application from British Caledonian to add Los Angeles as an optional stop for cargo flights between Gatwick and Atlanta, Houston and Dallas/Fort Worth.

Airport traffic up 9 per cent

Nearly 3.7 million passengers used the British Airports Authority's seven airports in May, representing an increase of just under 9 per cent on the same month in 1978.

In the south east, Heathrow's 7.6 per cent rise brought the total for the 12 months ending in May to almost 27 million. In its analysis of the results, BAA says that UK domestic traffic rose 19 per cent; traffic to and from Australia increased by 21 per cent with the spread of lower fares, while the boom in traffic to the USA continued with a 10 per cent rise. In contrast, the political changes in Iran contributed to a 14 per cent drop in the middle east traffic while the 12 per cent fall on Spanish routes may have been due to industrial disputes at Spanish hotels.

Gatwick's overall growth of 11 per cent in May was made up by rises of 1 per cent in charter and 36 per cent in scheduled operations. Hotel problems in Spain helped to keep growth in the biggest single charter market down to 1.3 per cent. UK traffic, mainly scheduled, was up 34 per cent, while services

to Scandinavia and Germany, not available in May last year, helped European scheduled traffic to record rapid growth. US scheduled passengers went up by 26 per cent.

At Stansted the 8 per cent decline was due to the loss of some eastern European charter flights and the temporary absence of its El Al charters. In Scotland both Glasgow (up 16 per cent) and Edinburgh (up 15.6 per cent) gained from the general fast growth in domestic traffic. European scheduled traffic rose by 54 per cent at Edinburgh and 6 per cent at Glasgow while charter traffic was up 16 per cent at Glasgow but down 3 per cent at Edinburgh.

Much of Prestwick's 7.8 per cent growth was due to the new north west orient service to Boston and Minneapolis.

Aberdeen's 18.4 per cent growth in fixed-wing traffic included a 43 per cent rise in European scheduled business and a 20 per cent drop in charter. Helicopter traffic continued to fall, this month by 15 per cent.

Following the fall in cargo traffic in April, May saw a 10 per cent overall increase on the same month last year.

Degree day service: figures for June

Degree day figures for June, published by the Department of Energy, are shown in the table. This service is designed to help industry and commerce improve the efficiency with which space heating systems are used.

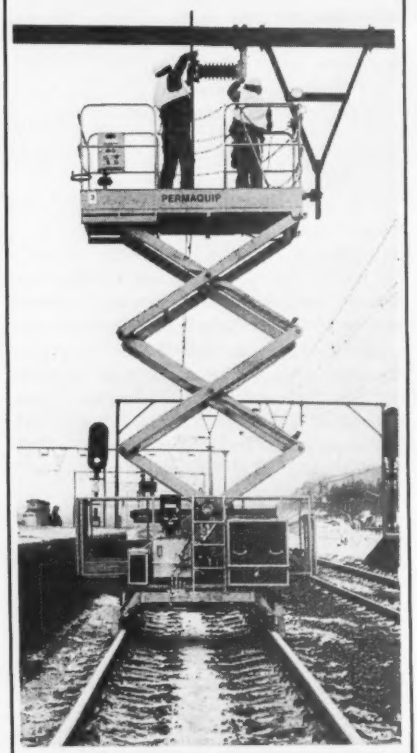
The figures are a record of the extent and length of time in a particular month that the external temperature fell below a base figure of 15.5 degees C (60 degrees F). Because this affects the amount of fuel needed to provide a given level of space heating the figures can be used to check on the efficiency of heating systems. By comparing the amount of fuel used with the number of degree days in monthly periods of different years, energy managers and others can monitor the performance of heating plant and operate it more economically.

Detailed information about the system is contained in a free booklet *Degree Days* (No. 7 in the Fuel Efficiency series) available from the Library, Department of Energy, Thames House South, Millbank, London SW1P 4QJ, tel. 01-211 3394. It explains the theory and practice of using the figures and contains a map showing the locations of the 19 Meteorological Office stations and the regions covered.

June degree days (base temperature 15.5 degrees C)

Region	Calculated average for Jun 1957-77	1978 Jun	1979 Jun
Thames Valley	49	56	51
South East	75	75	75
Southern	70	77	72
South West	60	62	70
Severn Valley	58	67	68
Midland	78	86	88
West Pennines	68	88	73
North West	83	96	85
Borders	107	114	122
North East	78	91	77
East Pennines	68	83	79
East Anglia	73	74	69
West Scotland	84	90	85
East Scotland	101	104	104
North East Scotland	112	118	111
Wales	83	98	99
Northern Ireland	86	102	92

Rail vehicle for overhead work



This railway vehicle enables overhead installation, inspection, maintenance and conversion work to be carried out on bridges, tunnels and electrification equipment quickly and safely. Developed by Permanent Way Equipment Company of Nottingham, the Permaquip railway overhead vehicle, is a powered rail trolley, fitted with a platform, which can be raised by scissor action, actuated by hydraulic rams, to a maximum height of 5.56 m. A cantilever extension giving a further 1.65 m reach enables work to be carried out over a wide span and the adjacent track can remain open to traffic.

Distributive industry's £1m skill shortage scheme

A £1 million scheme of grants to counter skill shortages in the distributive industry is being introduced by the Distributive Industry Training Board. Grants are being offered up to a maximum of £1,800 to tackle manpower shortages in 29 occupations.

The grants will be available not only for school-leavers and young people but for any trainee who has at least 10 years to work before retirement age. Grants will generally be restricted to one per firm. However, firms holding levy exemption certificates may have up to four grants.

The following occupations are eligible for grant:

Bacon processor, baker/confectioner, butcher, cabinet maker/french polisher, carpet fitter, computer operator, computer programmer, crystal glass cutter, curtain fitter, dress maker, heating and ventilation engineer, jeweller, joiner/carpenter, locksmith, maintenance engineer, office machinery service engineer, piano tuner, plumber, printer, radio/tv service engineer, refrigeration engineer, service engineer, sewing machine mechanic, systems analyst, tailor, technical sales person, upholsterer, vehicle mechanic and watchmaker.

More details can be obtained from the Distributive Industry Training Board, MacLaren House, Talbot Road, Stretford, Manchester, M32 0FP, tel. 061-872 2494.

Because of the varying lengths of training in many of the jobs involved, the grants will be made available for periods of one year (£1,000), two years (£1,500) or three years (£1,800).

Training will have to include a course of further education leading to a qualification recognised by the board, and a minimum of 50 days in-company training each year supervised by a qualified instructor. Standards of training will be checked by board training advisers.

Office development permits abolished

Special control of office development in London and the south-east is to be abolished, Tom King, Minister for Local Government and Environmental Services, announced on 5 July.

In a written reply to a parliamentary question, he said the government had reviewed the control of office development. This was introduced as a temporary measure in 1965 against the background of an office building boom and was primarily conceived as a counter to congestion in central London.

The government was satisfied that office development within London and the south-east, where the requirement to obtain office development permits now applies, could be adequately controlled through the normal planning system.

The powers were due to expire in 1982 but the control could be ended at any time by order in council. Steps were being taken for the order to be made soon.

Control was extended for five-year periods in 1972 and 1977. An application for planning permission within the south-east economic planning region for an office development of over 30 000 sq ft must at present be supported by an office development permit from the Secretary of State for the Environment. The order in council will specify the date from which permits will no longer be required to support planning applications.

Measuring construction works overseas

The Royal Institution of Chartered Surveyors has published the first-ever set of principles of measurement for use on overseas construction projects where existing rules are inappropriate or where no rules exist.

The document is based on the premise that circumstances vary considerably from country to country and from contract to contract, and

it is hoped that the principles will provide the flexibility necessary to deal with widely differing conditions.

The institution says it is confident that the document will be 'a major breakthrough in the battle to provide a more uniform method of financial control and management, not least in the large construction protects being undertaken in the hitherto undeveloped areas of the world'.

Many chartered quantity surveyors with a long-established background of working overseas already have their own conventions but it is nevertheless anticipated that the new document will be valuable to them, the institution states.

Copies of Principles of measurement (international) for works of construction' are available from Publications Department, Royal Institution of Chartered Surveyors, Norden House, Basing View, Basingstoke, Hants RH21 2HN, price £4.00 including postage and packaging.

South Humberside motorway completed

South Humberside's missing motorway link – the Trent Bridge section of the M180 – is to be opened by Kenneth Clark, Parliamentary Secretary for Transport, on 20 July. The opening of the five-mile stretch of motorway will bring relief to the existing A18 trunk road at Keadby Bridge – a notorious bottleneck west of Scunthorpe.

The completed Trent Bridge section is the last link in the 27-mile south Humberside motorway stretching from the M18 Rotherham–Goole motorway near Thorne to the eastern end of the Brigg by-pass. The whole M180 motorway cost £50 million.

Sea dumping of radioactive waste

United Kingdom Atomic Energy Authority is to dispose of low-level solid radioactive waste into the north-east Atlantic in July. The operation, authorised by Michael Heseltine, Secretary of State for the Environment, and Peter Walker, Minister of Agriculture, Fisheries and Food, will be carried out in strict compliance with international conventions and under international surveillance. Such operations have been carried out each year since 1949.

Disposal of low-level radioactive waste by dumping into the sea is subject to the provisions of the London dumping convention and recommendations made by the International Atomic Energy Agency for the purpose of implementing the convention. The OECD has also established a 'multilateral consultation and surveillance mechanism for the sea dumping of radioactive waste' and the operation will be conducted in accordance with the procedures laid down.

Letters to the editor

Letters to the editor should be addressed to the Editor, *Trade and Industry*, Eleventh Floor, Millbank Tower, Millbank, London SW1P 4QU, and *not* to HMSO.

New gas pipeline under consideration

Mobil North Sea has indicated that it is considering the construction of a gas pipeline to transport gas from the Beryl field to the UK, energy secretary David Howell, announced on 5 July.

At the same time Mr Howell announced that Mobil and the British Gas Corporation have agreed to consider the feasibility of designing this pipeline to transport other gas from the northern basin.

Borrowing powers and grants for NCB

Two draft orders to enable the National Coal Board to increase its borrowing powers and to increase the amount of government grant available to meet NCB operating costs were laid before parliament by David Howell, Secretary of State for Energy, on 5 July.

Coal Industry (Borrowing Powers) Order 1979, seeks to increase the board's borrowing powers by £400 million to £2,200 million to accomodate rising costs, loss of revenue over the past winter and to finance the continuation of the NCB's capital investment programme.

Coal Industry (Limit on Grants) Order 1979 seeks to increase the amount of operational grants which may be made by the secretary of state to the board from its present limit of £100 million to £175 million, the maximum permitted under the Coal Industry Act 1977.

More royalty taken in oil

Royalty due in the first half of 1980 will be taken mostly in oil rather than in money. Hamish Gray, Minister of State for Energy, said in answer to a parliamentary question on 29 June that after consulting licensees and considering their representations he had decided to take the bulk of the royalty due in the first half of 1980 in oil rather than in cash. He also intended to hold discussions with oil companies on the possibility of taking royalty in kind in subsequent chargeable periods.

Government sales

25 July 1979 – Miscellaneous Stores

Location
Bristol EuroCrest Hotel, Filton Road, Hambrook, Bristol

Auctioneers
Russel Baldwin & Bright (Dept L), 20 King Street, Hereford (0432 55441).

Stores lying at Hereford, Gloucester and other places, comprising aircraft and MT spares, electronic and electrical items, Forklift trucks, platform trailers and generators. Machine tools, tyres and jacks. Furniture, carpets, clothing and other textiles including blankets, upholstery material and bed linen.

31 July 1–2 August 1979 – Vehicles

Location
Ordnance Storage & Disposal Depot, Ruddington, Notts.

Auctioneers
Walker Walton & Hanson (Dept L), Byard Lane, Bridlesmith Gate, Nottingham (0602 54272).

Morris 1000s & Travellers, Minis, 1800s. Ford Escort estates and a variety of other cars. Vans and minibuses, Land-Rovers, Austin K9 Signals vans, Bedford RL & TK trucks, coaches. Antar and heavy duty trucks by AEC & Leyland. Cranes, loading shovels, dozers, tractors, and various other items.

Catalogues for above 40p, postage 15p

1 August 1979 – Furniture

Location
Ordnance Support Unit RAOC, Liphook, Hants.

Auctioneers
Austin & Wyatt (Dept L), 79 High Street, Fareham, Hants (0329 234211).

This sale consists of mainly small or single item lots of furniture and householdware.

Catalogue price 20p, postage 10p

Catalogues, which give details of the lots, conditions of sale, viewing times etc, are available from the auctioneers from two weeks before and up to the day of the sale.

Have you a good industrial news picture?

Pictures are published in *Trade and Industry* each week showing developments in British industry. If your company has introduced an interesting new product, if you have received an award, if you have developed a novel manufacturing process, if you have produced the biggest or smallest or heaviest or (you feel) the best designed product, you are welcome to send us a photograph with a short news story. Contributions should be sent promptly – while the subject is still newsworthy – to the Editor, *Trade and Industry*, Eleventh floor, Millbank Tower, Millbank, London SW1P 4QU.

New publications

Job of a lifetime

The question is often asked, 'why is Japan so successful?'. Various authors have offered technological and economic explanations of the enigma, yet a comparatively small amount of space has been devoted to understanding the motivation of Japan's workforce. Is this the area in which the crucial difference between east and west is to be found – and if so will any advantage it has gained the Japanese continue?

Ernest van Helvoort is a Dutch industrial psychologist who has previously published a comparative study of blue-collar workers in Japan and Holland, and now offers us an in-depth analysis of what he calls 'the human factor' as exemplified by Japan's idiosyncratic personnel management system. Much of this revolves around the Japanese tradition of a lifetime with the same employer, and Dr van Helvoort significantly observes that 'in early 1978, Japan's officially announced rate of unemployment stood at slightly over 2 per cent, but private estimates held that if Japanese companies would stop honouring the principle of lifetime employment guarantee, this rate might be as high as 5 or 6 per cent . . . in early 1978 there were several reports of company unions accepting significant salary cuts as a means to help their company weather its present financial predicament'.

Dr van Helvoort covers the whole spectrum of factors relating to the Japanese workforce, including the problems of the older workforce, education and training, hierarchy, welfare and organised labour. One or two factors particularly stand out – for example the statement that 'on the whole it is management and not so much the man's own inclinations which decides the career pattern of individual workers'. The way in which, under conditions of lifetime employment, management can best direct their workforce in times of adverse economic conditions, is said to be found in 'widespread intra-company mobility'. 'Job demarcation here is very vague', he quotes a Japanese manager as saying, 'so an employee has to accept a transfer, even if it makes his skill obsolete or useless'.

The book is well-written, deeply researched and clearly presented. It provides a valuable insight into some of the basic factors which make trading with Japan so specialised an activity.

The Japanese working man: what choice? what reward?, by Ernest van Helvoort. Paul Norbury Publications Ltd, Caxton House, High Street, Tenterden, Kent TN30 6BD. 1979. 158 pages. £6.50 (ISBN 0 904404 15 3).

Readers requiring copies of any of the publications mentioned on this page, should contact a bookseller or the publisher given at the end of each review. No requests for copies should be sent directly to *Trade and Industry*, unless otherwise stated.

Other publications of interest

Limited space allow us to review only a few of the many business publications which reach us every week. Among some of the more interesting recent arrivals are the following, which may be obtained either from the publishers or from local booksellers:

The development of agriculture in Germany and the UK. Centre for European Agricultural Studies, Wye College, Ashford, Kent TN25 5AH. 1979. £4.00 per volume.
Volume 1 German agriculture 1870-1970. (ISBN 0 905 378 15 6).
Volume 2 UK agriculture policy 1870-1970. (ISBN 0 905378 16 4).
Volume 3 Comparative time series 1870-1975. (ISBN 0 905378 17 2).

Middle East and North African Information Directory 1979. Artoc Bank and Trust Ltd. Available from Middle East Financial and Industrial services. PO Box 174, Birmingham B5 7PJ. 1979 £42.00.

OECD economic surveys (available from HMSO)
Iceland. April 1979 £1.50 (ISBN 92 64 11932 9).

The South American handbook: a travellers guide to Latin America and the Caribbean. Trade and Travel Publications Ltd. The Mendip Press, Parsonage Lane, Bath BA1 1EN. £6.95 (£7.75 by post).

The taxation of net wealth, capital transfers and capital gains of individuals: report of the OECD Committee on Fiscal Affairs. Organisation for Economic Co-operation and Development, 1979. Available from HMSO. £10.80 (ISBN 92 64 11896 9).

Looseleaf and detailed

We recently noted ECI Services' looseleaf 'Common market signposts' in these pages (*Trade and Industry*, 15 June 1979, page 475). Since then that service has issued three of the promised monthly issues increasing its scope and bringing it right up-to-date. Similar in its looseleaf approach, but far more developed in content and detail, are the same company's guides to 'Company law and related legislation' and 'Consumer and environmental policies' in the context of the EEC.

The aim of the publishers is to offer factual and up-to-date reference materials on different aspects of the common market. These are the first two specific titles to appear and should prove an exceedingly useful first reference point for many businessmen – and indeed for anyone with little background knowledge or the time to check through the voluminous literature of the EEC to discover the progress of a proposed directive, or the objectives of a particular programme.

While the looseleaf arrangement allows for the annual updating supplements that the publishers have announced, and this is to the good, more frequent current information will often be found in the journal literature – not forgetting *Trade and Industry*! Part of the offered service includes the provision of copies of full texts of publications referred to direct from the publishers: many will find this a valuable convenience, but it should not be forgotten that a range of EEC publications are available from HMSO and where it is simply a question of purchasing, for example, the *Official Journal*, this may be preferred.

The guides are clearly laid out and provided with tabbed markers to lead the reader direct to the section wanted. 'Company law and related legislation' has an annex showing the reader how to participate in the discussion of proposals relevant to his business, and thus try to influence their final form. It gives a brief run-down on the legislative procedures of the EEC and contact points for discussion.

Both guides have useful lists of sources for further information with addresses and telephone extensions, all of which saves time for the user. Citations to elusive documents, such as European working documents and select committee reports, are made and summaries given of papers, current progress, policy documents and so on. Both volumes have brief but up-to-date reading lists. It will be interesting to see how these series develop; their start is very promising.

ECI Business Guides to the Common Market: Company Law and Related Legislation and **Consumer and Environmental Policies.** 1979. European Community Investigation Services, 88/90 Grays Inn Road, London WC1X 8AA. £25.00 basic volume; £15.00 annual supplement.

To tell or not to tell?

'European company accounting and reporting practices are going through a period of great change . . . continental European companies are providing much more detailed information and going to far more trouble over their annual reports than their UK counterparts'. So concludes a new survey of the reports and accounts of 100 major European companies.

This is a very substantial study of company accounts, based primarily on the latest published annual report of each company available at 30 June last year. The objective, says the publisher, is 'to measure what is happening in the annual reports and accounts of the companies at the top of European industry'. Of the companies selected, 15 each are from France, Germany and the UK, 10 each from Italy, the Netherlands and Switzerland, and the remainder from Scandinavia, Belgium, Luxembourg, Spain; and there are two international organisations – Royal Dutch/Shell and Unilever. Although the study ostensibly deals with annual reports, a wide range of other information is brought into play particularly drawn from varied accountancy sources and even statements from the firms themselves.

We start with a general survey of accounting policies and accounts, including such questions as inventories, research and development costs, exploration expenditure by oil companies, and pensions. This is followed by country comments with examples of accounts, and then there is a section devoted to auditing. The presentation of other financial infor-

mation – segment reporting, added-value statements and share price data – is followed by a long section devoted to non-financial information, particularly employment reports and statements of future prospects. The authors note that 'continental European companies place greater emphasis on information about their employees in their annual reports than do their United Kingdom counterparts. The difference is evident even in the summary of results'.

A brief section at the end of the study is devoted to the timeliness of reporting by the companies in the survey, noting critically that 'the discrepancy between the fastest and slowest reporters is huge'.

This is a thorough and very detailed study which provides much food for thought. Clearly illustrated by many tables it is going to be of interest to a wider audience than the accountancy profession at which it is ostensibly aimed.

1979 Financial Times survey of 100 major European companies' reports and accounts, by Michael Lafferty with David Cairns and James Carty. Financial Times Business Publishing Ltd, Minster House, London EC4R 9AX. 1979. vi, 341 pages. £75.00 (ISBN 0 903199 16 5).

The chips are here!

The age of intelligent domestic appliances has arrived! With the aid of microprocessors informed by sensors, appliances can respond to changing conditions without the complexity and consequent proneness to breakdown of electromechanical controls. With microprocessors, too, the cost trends work in the downward direction. Of course the immediate range of microprocessor application is already wide, perhaps most generally seen in calculators, watches and other consumer goods.

The 'chip' is spawning a range of publications intended to predict, evaluate and inform, and the Economist Intelligence Unit has just published a special report which is the most recent to come on the scene and one which the authors make a point of presenting in layman's language. The survey starts by introducing the microelectronics industry, then briefly describes the development of commercial applications, and two short end chapters deal with the principal suppliers of microprocessors and future trends.

However the bulk of the report is concerned with the range of commercial applications, including consumer goods, domestic appliances, motor vehicles, office equipment, and medical and educational products.

The 'bibliography' with which the report ends lists only eight items, and perhaps it might be worth reminding readers of the Department of Industry publication 'Chips with everything', which although the report of a conference that took place in 1977 is still worth noting (from Room 582, Charles House, 375 Kensington High Street, London W14 8QH).

While this is a useful background report, briefly exploring most aspects of the current scene in a fast-growing industry, many may find it expensive at the price asked.

Chips in the 1980s. EIU special report no. 67. The Economist Intelligence Unit Ltd, Spencer House, 27 St James's Place, London SW1A 1NT. 1979. [iii], 57 pages. £40.00.

Departmental publications not sold through HMSO

This list includes material issued by the Departments of Industry, Trade, Prices and Consumer Protection, and Energy, the Office of Fair Trading, and the Price Commission, which was notified to the compiler during June.

Department of Industry

Committee on Corrosion

Controlling corrosion: five case studies. 1979. 8 pages.
Department of Industry, Room 314, Ashdown House, 123 Victoria Street, London SW1E 6RB.

Research and Technology Requirements and Perspective Division

£R&D? Are you having difficulty in financing research and development? The Department of Industry's requirements boards guidance to applicants. 1978 (reprinted May 1979). Folder containing six sheets.
Department of Industry, Research and Technology Requirements and Perspectives Division, Room 342, Abell House, John Islip Street, London SW1P 4LN.

Ship and Marine Technology Requirements Board

Papers presented at a symposium on commercial sail on Thursday, 14 June 1979, at the Weir Lecture Hall, The Royal Institution of Naval Architects. 1 vol. Various pagings.
Available only to participants at the symposium from: Department of Industry, Research and Technology Requirements and Space Division, Room 410, Abell House, John Islip Street, London SW1P 4LN.

Technology Reports Centre

R&D abstracts. Vol. 39, no. 8, 15 April 1979.
R&D abstracts. Vol. 39, no. 9, 1 May 1979.
Available on annual subscription of £48 from: Department of Industry, Technology Reports Centre, Station Square House, St Mary Cray, Orpington, Kent BR5 3RF. Free to government departments and certain other official bodies.

Department of Trade

Code of conduct for companies with interests in South Africa: written Parliamentary reply by John Smith, Secretary of State for Trade, 1979. 17 pages. [Reprinted from Hansard, 15 February 1979.] [The reply was also printed in full in *Trade and Industry*, 23 February 1979.]
Department of Trade, Commercial Relations and Exports Division 3a, Room 321, 1 Victoria Street, London SW1H 0ET.

Accidents Investigation Branch

AIB bulletin no. 6/79. 26 June 1979. 13 pages.
Department of Trade, Accidents Investigation Branch, Room 401, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

British Overseas Trade Board

BOTB news, no. 6. June/July 1979. 8 pages.
BOTB Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU.
BOTB's services. 1979. 40 pages.
British Overseas Trade Board. 1979. 1 folded sheet.
BOTB Publicity Unit, 1 Victoria Street, London SW1H 0ET.
Hints to businessmen series (price £1 + 20p p & p each).
Senegal, Mauritania, Mali, Guinea-Bissau and Cape Verde. 1979/80. 108 pages.
Hints to exporters series (price £1 + 20p p & p each).
Costa Rica. 1979/80. 43 pages.
Fiji. 1979/80. 44 pages.
Iceland. 1979/80. 40 pages.
Iraq. 1979/80. 56 pages.
Norway. 1979/80. 48 pages.
Available from: BOTB, Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU.
Selling to public authorities in Canada. 1979. 25 pages. price 75p + 20p p & p.
BOTB, Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU.
Smaller project management directory: some British companies interested in leading bids for smaller overseas projects. 1979. 47 leaves [94 pages].
Available to companies from: BOTB, Room G16, Export House, 50 Ludgate Hill, London EC4M 7HU, or BOTB regional offices.

Department of Prices and Consumer Protection (now merged with Department of Trade)

Consumer Safety Unit

The home accident surveillance system: analysis of skateboard accidents – a special extension to the HASS. 1979. v, 31 pages.
Department of Trade, Consumer Safety Unit, Room 1930, Millbank Tower, Millbank, London SW1P 4QU.

National Weights and Measures Laboratory

National Weights and Measures Laboratory. 1979. [2 pages.]
Department of Trade, Information Division, Room 2508, Millbank Tower, Millbank, London SW1P 4QU.

Department of Energy

Catalogue of geothermal data for the land area of the United Kingdon, by A. J. Burley and W. M. Edmunds. [The Natural Environment Research Council Institute of Geological Sciences was commissioned to prepare this catalogue.] 1978. 1 folder containing the catalogue, 4 maps and 3 microfiches. Price £10 post free.
Department of Energy, Library, Room 1020, Thames House South, Millbank, London SW1P 4QJ. Cheques to be made payable to the Department of Energy.

Coal transport: a select bibliography including references on handling and storage, compiled by A. E. Cunningham. 1979. 12 pages.
Department of Energy, Library, Room 1020, Thames House South, Millbank, London SW1P 4QJ.

Energy management. May 1979. 8 pages.
Department of Energy, Library, Room 1020, Thames House South, Millbank, London SW1P 4QJ.

Environmental impact of renewable energy sources: a review paper prepared for the Commission on Energy and the Environment by the Energy Technology Support Unit. 1979. 20 pages.
Single copies available from : Department of Energy, Library, Room 1020, Thames House South, Millbank, London SW1P 4QJ.

Interim report of the working group on fuel consumption targets: issued by the Department of Energy for the Automotive Energy Consultative Group. 1079. 10 pages.
Single copies available from: Department of Energy, Library, Room 1020, Thames House South, Millbank, London SW1P 4QJ.

Office of Fair Trading

Buying by post. ('For your protection' series.) May 1979. 1 folded sheet.
List of publications. 1979. 6 pages.
Office of Fair Trading, Information Branch, Room 310A, Field House, Bream's Buildings, London EC4A 1PR.
Notes on the powers and duties of the Director General of Fair Trading with regard to monopoly situations, restrictive trade practices and resale price maintenance. 1979. 4 pages.
Office of Fair Trading, Competition Policy Division, Room 417, Field House, Bream's Buildings, London EC4A 1PR.

Price Commission

Price Commission report on fresh food prices and margins: March 1979. 6 June 1979. 17 pages.
Price Commission report on fresh food prices and margins: April-May 1979. 14 June 1979. 10 pages.
Price Commission, Library, Room 12/08, Market Towers, 1 Nine Elms Lane, London SW8 5NQ.

Technology news

DoI funds use of viewdata for industrial training

CAP-CPP, a software house for microelectronics, has been commissioned to undertake the second phase of a Department of Industry contract to develop viewdata techniques for industrial training. The company will be utilising its Telesoftware tools which enable an extended colour tv set to act as an attractive self-training device.

The Department of Industry in co-operation with the National Computing Centre (NCC) has more than trebled the number of training places for engineers interested in acquiring microelectronic know-how since December 1978 under the microprocessor applications project. At the same time the department has been working with CAP, the Open University and Control Data Corporation to produce microelectronic training courses capable of being transmitted by audio/visual means.

As a result of the contract with the department, CAP and the National Computing Centre – acting for the department – are approaching possible partners to exploit a new kind of training facility within industry. The partnership will involve the NCC funding the software needed for specific training in microelectronics through the use of 'intelligent' viewdata terminals. The partner company will be asked to provide the expertise to produce training courses that meet its particular needs.

The NCC hopes the partnership will provide initial training in microelectronics for several thousand workers. In a typical application, CAP's 'Telesoftware tools' allows the student to interact, via viewdata, with a remote tutor. Moreover, the tools have been arranged so that a tutor, who is not a computer programmer, can directly create the teaching material of text, displays and tests.

Aerodynamics and a light foot save vehicle fuel

Although the only sure way the private motorist can save fuel is to cover fewer miles in his car, the Transport and Road Research Laboratory (TRRL) of the Department of the Environment continues to look for ways of making the motor vehicle more fuel efficient while it is on the road. At an open day recently the laboratory demonstrated that a concern for aerodynamics and a light foot on the accelerator can save fuel.

Tests on the aerodynamics of flat-top trucks have shown that placing a load immediately behind the cab gives a 30 per cent reduction in aerodynamic drag compared with putting the same load at the extreme rear of the platform. Road tests showed that the 30 per cent drag reduction gave a 12.5 per cent improvement in fuel consumption.

Other tests on commercial vehicles have shown it is possible to improve the fuel economy of a truck by as much as 25 per cent by smoothing its aerodynamic shape, altering the gearing, using tyres with a low rolling resistance, driving on less congested routes and using economical driving techniques.

On private cars the results of economical driving methods alone showed a substantial improvement in fuel economy. In a fuel consumption experiment, visitors were invited to drive instrumented but otherwise standard cars round a twisting road that included hazards such as traffic-light controlled crossroads, steep hills and sharp U-turns, first using their normal method of driving, then driving the same car as economically as possible. Depending on the car, the average improvement between normal and economy techniques ranged from 14 per cent to 27 per cent. A diesel-engined small car showed the biggest improvement.

Alec Silverleaf, director of the laboratory, said that during the past 10 years in Britain, the average fuel consumption of private cars had remained about the same at between 28

Splink enables handicapped to 'speak'

Designed to bridge the communication gap between the speech-handicapped, the deaf and their families and friends is 'Splink', an electronic device being developed by Medelec Ltd of Old Woking, Surrey. It enables a handicapped person to 'write' complete words and phrases on a domestic television screen by simply pushing keys.

Invented by Dr Guy Hamilton, this speech-link device to which he gave the name Splink uses the information handling power of a microprocessor. It consists of a small keyboard alphabetically printed with the 950 words which, for practical purposes, form the basic vocabulary of everyday speech. The user has merely to depress the required words and build them into sentences which immediately appear on an ordinary domestic television screen linked to the keyboard by the aerial socket.

Initial letters on the keyboard make it possible to build any word or name desired and some of the keys short-circuit the effort by automatically printing out such basic phrases as 'I want a', 'Can you tell me?' and 'What did you say?'

Clinical trials have proved the practical usefulness of Splink and families which have had pilot systems on loan for experimental purposes have confessed to a feeling of utter desolation after returning them. Users find it highly diverting, almost like a television game.

The user must be literate, of course, and able to call at least one hand into play. A dysphasic stroke sometimes interferes with the patient's ability to read and write and this may render the system of limited use, and not suitable for all deaf and speech-handicapped people.

Vital communication for the handicapped becomes almost a TV game.

and 32 miles per gallon despite more efficient engines and the reduced weight of modern cars. Clearly drivers were using the extra performance available. His research teams were demonstrating the other alternative, he said, that a feather-light foot on the accelerator could conserve energy, and get you there almost as quickly.

Centre to expand innovation in detergents

An innovative tradition in toiletries, detergent and related raw materials will be expanded with the opening on 2 July of Albright and Wilson Ltd's new £¼ million technical services centre at Whitehaven. The latest stage of over £35 million of investment at Whitehaven during the past five years, the centre will serve the company's detergent sector operations throughout the world.

Chairman of the detergent sector George James said: 'The growth of Albright and Wilson's detergent sector is a direct result of the great importance which we attach to quality control and our commitment to meeting customers' needs through tailor-made products and technical service.'

In addition to its main function of product formulation development for the detergents and toiletries business, the technical service centre is involved in the examination of product applications in a wide variety of industries such as the construction industry, paint manufacture, the foundry industry, plastics, rubber and lubricating oils.

The new building contains eight laboratories for preparative work, evaluation, analysis and microbiological work on toiletries, detergents, consumer products and industrial chemicals. There is a fully-fitted hairdressing salon together with conference and presentation facilities. A comprehensive information storage and retrieval system for the detergent sector is also to be incorporated in the centre.

BAe laboratories get environmental test approval

Environmental tests for contractors who require the performance of defence or other equipment to be evaluated under various extremes of climatic and operating conditions can now be carried out by two British Aerospace laboratories. The Stevenage-Bristol division of BAe Dynamics Group has received defence standard 05–32 approval for its environmental test laboratories at its factories in Six Hills Way, Stevenage, and at Filton, Bristol.

Short or long-term climatic tests can be performed during which the items under investigation can be subjected to various dynamic loading conditions. Environments that can be simulated include high and low temperature, low-pressure humidity, mould growth, sand, dust, salt spray, fine mist and rain, associated, where appropriate, with vibration shock or constant acceleration, or selected combinations of these conditions.

New products

Oxygen probe offers energy savings in processes

An oxygen probe assembly first developed in Australia, and now being manufactured by Drayton Kiln Ltd, under a licence for distribution throughout Europe, is claimed to offer substantial energy savings to users of fuel-burning plant, including boilers, ceramic kilns, refinery and chemical process heaters, incinerators and roasters. It can be used either as a portable instrument for periodic checking of combustion conditions and furnace atmosphere conditions in multi-furnace factories, or as a permanent installation for continuous atmosphere monitoring and control.

Measurement of the oxygen content 'in situ' eliminates the need for sampling lines, pumps and filters. The probe is simple to install and requires little maintenance under normal usage. It can measure the oxygen content of furnace atmospheres from 100 per cent to less than 0.001 parts per million. The response time of less than one second offers almost instantaneous read-out of atmosphere changes and corrective action, contributing greatly to the accuracy of control systems.

Measurement of oxygen extends into reducing gas mixtures and is said to offer significant advantages over other methods of atmosphere control in heat-treatment plant, including vacuum furnaces, gas generators and sealed quench carburising furnaces. Service life is not significantly affected by gaseous ammonia in the furnace atmosphere. Since ammonia has only a negligible effect on the atmosphere oxygen potential/carbon potential relationship, the probe can be used to control carbonitriding processes.

Further information: circle 541

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Scissors linkage gives extra force to bucket loader

Twin-scissors action bucket linkages enable an Aveling Barford International Ltd crawler-loader to concentrate the full pressure of its twin hydraulic rams on to the bucket to provide a thrust of 93 kN. The equipment's final design incorporates improvements suggested by contractors and plant-hire operators who site-tested prototype and pre-production machines. It is of modular construction to simplify maintenance.

Model CL 013 lifts and tips a load of 7700 kg at full extension of bucket and linkage, and is equipped with a standard 1.43 m^3 or a 1.34 m^3 multi-purpose bucket. Power is provided by a diesel engine rated at 80.5 kW at 2100 rev/min. Twin-turbine integrated powershaft transmission matches speed automatically to power available and results in minimal gear shifting.

Single-lever control is provided for bucket lifting and filling, and servo-controlled foot steering is standard. A dual-function disconnect/brake pedal normally causes full engine power to be transmitted to the hydraulics but also serves as an emergency stop brake. Among other features are a safety and parking brake lever and bucket-attitude indicator. Driver comfort is assured by a fully adjustable sprung and padded seat and a resilient cab floor to minimise vibration.

Further information: circle 542

Site-testing by users has improved the Aveling Barford crawler loader.

Parliament

Monday, 2 July

Advance factories

Derek Foster (Bishop Auckland) asked how many advance nursery factory units had been approved and constructed in the northern region since 1974: under the English Industrial Estates Corporation; under the local authorities; and under the new town development corporations.

Mr Mitchell said that since 1974, the English Industrial Estates Corporation had been authorised to construct 300 terraced units in 93 blocks, the majority in the past 2½ years. So far, 142 units in 37 blocks had been completed. A further 13 000 m² of terraced units had also been approved, for which the size and number of individual units was still to be determined. He pointed out that local authorities and new town development corporations were the responsibility of the Secretary of State for the Environment.

Small business organisations

Bob Cryer (Keighley) asked for list of the representatives of small business organisations met by the Secretary of State for Industry.

Mr Mitchell said ministers in the Department of Industry had already met the following organisations:

Association of Independent Businesses
Association of Self Employed People
CBI Smaller Firms Council
Development Commission/CoSIRA
Forum of Independent Business
National Federation of Self Employed and Small Businesses
Union of Independent Companies.

Further meetings were being arranged with other organisations representing the small firm sector. There had also been various meetings with chambers of commerce, financial institutions, trade associations and individual small firms.

Lucas agreement

Michael Meacher (Oldham West) asked what action was being taken to prevent Lucas Ltd from closing its Shipley plant and its ballscrew operations at Hemel Hempstead and whether this contravened the agreement Lucas made with his department on 14 February over job preservation.

Mr Marshall replied that in June 1978, the Department of Industry agreed to grant Lucas Aerospace assistance of £8 million to enable the company to carry out a rationalisation programme. This programme included closure of plants at Shipley, Bradford and Liverpool and opening of new plants at Bradford and Liverpool. No action was being taken to prevent these closures and Lucas Aerospace had undertaken to relocate as many of the workforce as possible. Lucas Aerospace made a commercial decision to cease manufacturing industrial ballscrews in 1975, and this decision was not connected with the grant of assistance mentioned.

Raw materials

Frank Hooley (Sheffield, Heeley) asked what studies are being made on the diversification of sources of supply of essential raw materials.

Mr Mitchell replied that responsibility for the supply of essential raw materials lay primarily with industrial users. But there was continuing and frequent contact between the different sectors of industry and the Department of Industry on the supply situation, including the possible need to diversify sources.

Steel industry

Mr Hooley also asked whether the Secretary of State for Industry proposed to hold discussions with Commissioner Davignon about the state of the steel industry.

Mr Marshall said the Secretary of State for Industry had met Commissioner Davignon in London on 21 June and discussed steel problems including those of special steel as well as other subjects.

Industrial development certificates

Miss Betty Boothroyd (West Bromwich West) asked for a list of the number of industrial development certificates granted and refused in the West Midlands and the Dudley and Sandwell travel-to-work areas, respectively.

Mr Mitchell gave the following information:

INDUSTRIAL DEVELOPMENT CERTIFICATES GRANTED AND REFUSED IN THE WEST MIDLANDS AND IN THE DUDLEY AND SANDWELL TRAVEL-TO-WORK AREA

	Year	No. of approvals	Area '000 sq ft	Estimated additional employment
West Midlands	1975	277	6 415	5 690
	1976	281	9 958	11 880
	1977	232	9 211	1 020
	1978	261	8 447	10 430
	1979 [1]	87	1 970	3 970
Totals		1 138	36 001	32 990
Dudley and Sandwell travel-to-work area	1975	45	664	720
	1976	48	1 145	890
	1977	31	845	2 070
	1978	26	607	720
	1979 [1]	16	274	240
Totals		166	3 535	4 640

	Year	No. of refusals	Area '000 sq ft	Estimated additional employment
West Midlands	1975	6	316	660
	1976	— (see note 5)	—	—
Dudley and Sandwell travel-to-work area	1975 to date	—	—	—

[1] January to March.

Notes

1 Industrial development certificates are not required in development areas or special development areas. These include most of Scotland and Wales, the whole of the northern region, parts of the south west, the north west and the Yorkshire and Humberside regions.
2 Exemption limits were altered in December 1970, July 1972, September 1974 and May 1976.
3 Buildings which have been converted for industrial use are also included in the table.
4 The figures for the estimated additional employment are the applicants' estimates of the employment expected to arise when projects are complete and fully manned.
5 One IDC was refused in the west midlands in 1977, but an IDC was subsequently granted in 1978 subject to certain conditions.

Sperm whale oil

Eldon Griffiths (Bury St Edmunds) asked what efforts were being used by the Department of Industry to encourage the use of substitutes for sperm whale oil.

Mr Mitchell said that the development of substitutes for sperm whale oil was ultimately a commercial decision for industry. The efforts of industry to replace the use of sperm oil were reflected in the fall of imports from 14 341 tonnes in 1971 to 4269 tonnes in 1978. The Department of Industry encouraged the use of alternatives to sperm oil and suitable projects to develop further substitutes might qualify for assistance from the department under the product and process development scheme. Approaches had been made about the possibility of such assistance, but none had yet reached the stage where grants had been offered.

Trade figures

Michael Neubert (Romford) and David Knox (Leek) asked about this year's UK trade figures.

Mr Parkinson said that the trade figures so far this year had been distorted as a result of industrial action, and needed to be interpreted with caution. The published figure of a visible deficit of £1,693 million in the first five months of this year overstated the underlying deficit, while the published current account deficit of £75 million in May was likely to understate the underlying position.

Ministers

Department of Industry

Secretary of State: Sir Keith Joseph
Ministers of State: Adam Butler
Lord Trenchard
Parliamentary Under-Secretaries of State: Michael Marshall
David Mitchell

Department of Trade

Secretary of State: John Nott
Ministers of State: Sally Oppenheim
Cecil Parkinson
Parliamentary Under-Secretaries of State: Norman Tebbit
Reginald Eyre

Trade with EEC six

Douglas Jay (Wandsworth, Battersea North) asked what was the UK visible trade balance in manufactured goods with the original EEC six in 1970, 1978 and in the current year at an annual rate in the latest period for which figures were available.

Mr Parkinson said the UK had a crude trade surplus in manufactured goods with the EEC six of £161 million in 1970, and a deficit of £2,552 million in 1978. Figures for 1979 had been distorted by the effects of industrial action. The published deficit in the first quarter was £927 million. Because of the distortions, which were likely to overstate the underlying position, he did not consider that the conversion to an annual rate was meaningful.

Export of centrifuge components

Leo Abse (Pontypool) asked what steps were being taken to prohibit the export of centrifuge components or centrifuges with uranium enrichment capacity to Pakistan.

Mr Parkinson said that under the provisions of the Export of Goods (Control) Order 1978 (as amended) gas centrifuges capable of the enrichment or separation of isotopes and specially designed parts, components and equipment therefor may not be exported without a licence. Similar controls were applied by SI 1979/136 to parts, components and sub-assemblies of frequency changers capable of multi-phase electrical output of between 600-2000 Hz. Applications for licences to export these goods to Pakistan or to any other destination were given the most careful consideration. The working of the controls was under constant review and would be extended if the need arose.

Imported shoes

David Trippier (Rossendale) asked for details of the number of imported shoes which were subject to consumer complaint.

Mrs Oppenheim said she understood that of the 1759 complaints received by the Footwear Testing Centre during the 12 months ended 31 July 1978, 51 per cent related to imported footwear. The Office of Fair Trading collected figures for complaints about footwear received by local authorities but complaints about imported footwear were not identified separately.

Unctad follow-up

Alastair Goodlad (Northwich) asked about follow-up to the Unctad conference in London.

Mr Parkinson said the debate at the conference would initially be followed up at the October meeting of the Unctad trade and development board. The government would play an active part in preparations for this meeting within the European community and in OECD as a whole.

Import controls

Bob Cryer (Keighley) asked what representations had been received regarding the extension of quota coverage for manufactured and semi-manufactured imports into the UK.

Mr Parkinson said he had received one such request, from the member for Wolverhampton, North East, for import controls on ball bearings and other engineering products.

Nationalisation of Iranian banks

Sir Timothy Kitson (Richmond, North Yorks) asked what had been the cost to the Export Credits Guarantee Department following the decision of the Iranian government to nationalise banks.

Mr Parkinson said nationalisation of the banks in Iran took place on 7 June and no costs attributable to it had yet fallen on the Export Credits Guarantee Department. The outcome for British commercial interests at large was not yet fully apparent. But the government would expect those British interests affected to be properly compensated.

Dumping procedures

Nicholas Winterton (Macclesfield) asked if the Secretary of State for Trade would make a statement on EEC dumping procedures and indicate the average time that it was taking to process an application from the UK textile industry.

Mr Parkinson replied that since 1 July 1977, when responsibility for taking action on dumping passed to the commission, there had been only one case initiated by the UK textile industry. This was a complaint concerning polyamide and polyester high-tenacity yarn for specialised industrial use from the United States. The case was exceptional in that it led to a lengthy technical dispute over product specification and thus took over 12 months to complete.

Mr Winterton also asked how many personnel serviced the EEC anti-dumping department.

Mr Parkinson said he was informed that the commission had 24 staff working on anti-dumping (excluding common services) within the external relations directorate.

David Trippier (Rossendale) asked the Secretary of State for Trade what action he was proposing to make anti-dumping legislation in textiles more effective.

Mr Parkinson replied that the existence of agreements under the multi-fibre arrangement between the community and the majority of low-cost suppliers together with voluntary restraint arrangements with the major non-EEC Mediterranean suppliers had largely removed the incentive for the import into the community of dumped textiles. He was satisfied that existing anti-dumping procedures could deal with residual problems; but with the secretary of state he would be visiting Brussels on 10 July to discuss procedures.

Prospective food prices notices

Richard Alexander (Newark) asked about the format of press notices on prospective food prices.

Mrs Oppenheim said that, in the light of a review of its value and effectiveness, she had concluded that the weekly press notice on prospective fresh food prices was of limited practical assistance to consumers and that it should therefore be discontinued in the interests of economy.

Retail price index

John Fraser (Lambeth, Norwood) asked for an estimate of the total effect on the retail price index of the recent increases in VAT and minimum lending rate and the termination of the Price Commission.

Mrs Oppenheim said she agreed with previous statements by the former Secretary of State for Prices and Consumer Protection that changes in the MLR had no direct effect on inflation. As Mr Fraser was aware, the Price Commission had had little effect on inflation – the most generous estimate was less than one-tenth of 1 per cent. The effects of VAT changes were given in the chancellor's budget statement.

Bureaux de change

Peter Rost (South East Derbyshire) asked the Secretary of State for Trade if he would investigate the existing facilities available to tourists visiting the UK for exchanging their currency into sterling.

Mrs Oppenheim replied that bureaux de change were required by the Bank of England to effect transactions at rates of exchange in line with those of the clearing banks and to display clearly and permanently during business hours the rates of exchange offered and the commission charged. If these conditions were not met satisfactorily the bureau concerned risked losing its authorisation to operate. 'I believe that we should look to the forces of competition to discourage bureaux from charging too high a rate of commission. If Mr Rost knows of any particular examples of sharp practice by a bureau he might care to refer it to the Bank of England.'

Consumer advice centres

Tim Rathbone (Lewis) asked about the Department of Trade's plan to encourage transfer of responsibilities from consumer advice centres to citizens advice bureaux.

Mr Oppenheim said the government was not proposing any transfer of responsibilities, but any closures of consumer advice centres would create extra work for citizens advice bureaux and the government was consulting with the movement on the implications.

Mileometers

Miss Janet Fookes (Plymouth, Drake) asked if the Secretary of State for Trade would seek to amend the Trade Descriptions Act 1968, particularly in relation to the control of false mileometers.

Mrs Oppenheim replied that falsifying a mileometer reading was already an offence under the Trade Descriptions Act 1968. But she was aware that consumers and enforcement authorities could face problems in verifying the accuracy of car mileages. She would be considering how these problems could best be dealt with when the Director General of Fair Trading had completed his present review of the second-hand motor trade.

Hypermarkets development

Mr J. W. Rooker (Birmingham, Perry Barr) asked about government plans to promote competition in the retail sector by favouring development of hypermarkets.

Mr Eyre replied that large stores like hypermarkets could offer price advantages and convenience to some shoppers, but specialist shops and the small shopkeepers had an important role to play particularly in catering for people who preferred a greater degree of personal service. The government believed the public interest was best served if the retail trade was allowed to evolve in response to its market without government intervention. Local conditions needed to be taken into account when new development were considered by planning authorities.

Pollution at sea

Sir Bernard Braine (South East Essex) asked whether the sum of £1.5 million mentioned in the Department of Trade publication 'Improved arrangements to combat pollution at sea' covered specialised equipment for use in offloading oil, chemicals and liquefied gases from ships involved in serious accidents.

Mr Tebbit said the sum mentioned included an estimate of the cost of two caches of specialised equipment for offloading oil and most chemicals from stricken tankers.

Film industry

Michael Meacher (Oldham West) asked about funding for the National Film Finance Corporation and about government policy towards the film industry.

Mr Tebbit said he was reviewing government policy towards the film industry particularly in respect of its implications for public expenditure. His review included consideration of the organisations through which such funds as may be available could best be deployed in the interests of the industry as a whole.

Tourist industry

Dafydd Wigley (Caernarvon) asked about the effect of increased petrol prices on the tourist industry and John Hannam (Exeter) asked what representations had been received from the tourist industry concerning cancelled bookings in UK holiday areas this summer.

Mr Tebbit said he had received a number of complaints from tourist bodies in popular holiday areas that some people had cancelled holiday bookings because of fears about petrol shortages. He knew the industry was also concerned that the petrol price increases might harm their business. But careful driving could easily reduce fuel consumption by 10 per cent. Income tax cuts would also counterbalance higher prices and he did not believe that domestic tourism would suffer.

Shipping groups' US indictments

Stanley Clinton Davis (Hackney Central) asked what further representations had been made by the government to the United States government in the light of the United States grand jury decision to indict criminally seven transatlantic shipping groups, including Cunards, for alleged violation of United States anti-trust laws.

Mr Nott said the government had on a number of occasions made its concern at the indictments very clear to the United States administration. 'We have in particular warned them that their action endangers future co-operation on anti-trust matters.'

Radio channel for fishermen

Iain Sproat (Aberdeen South) asked about the open line radio channel used by fishing vessels.

Mr Tebbit said the open line scheme which came into operation on 1 April provided a radio channel on which fishing vessels beyond vhf range could report their positions to shore stations. He hoped that in the interests of safety, fishermen would make increasing use of this facility.

Insider dealing

George Robertson (Hamilton) asked the Secretary of State for Trade if he was satisfied with the present status of insider dealing within the criminal law and if he intended to introduce legislation to outlaw it.

Mr Eyre replied that he accepted the need for legislation of this kind, provided that satisfactory answers could be found to the difficult problems of definition. He intended to cover insider dealing in the next companies bill.

Tuesday, 3 July

Regional assistance

Derek Foster (Bishop Auckland) asked about expenditure on regional development grants, regional selective assistance, and selective financial assistance in 1978-79 in the northern region, Great Britain, and the former expressed as a percentage of the latter.

Mr Mitchell said the full year's figures were not yet available, but the latest figures were as follows:

EXPENDITURE £'000

	1 Northern region	2 Great Britain	1 as a % of 2
Regional development grants [1]	103.2	303.1	34.0
Regional selective assistance [2]	9.5	43.8	21.7
Selective financial assistance [3]	2.5	50.9	4.9

[1] 1 April 1978 to 31 December 1978. [2] 1 April 1978 to 31 March 1979. [3] 1 April 1978 to 28 February 1979.

Robert Atkins (Preston North) asked what was the total regional aid paid to the north east as opposed to the north west and what was the total regional aid paid in 1978 to Merseyside, Cheshire, Greater Manchester and Lancashire, respectively.

Mr Mitchell said the information was not readily available in the form requested. Total expenditure in 1977-78 on regional preferential assistance to industry in areas for which separate totals were available was as follows:

	£ million
Northern region (including the north east special development area)	155.8
North western region	66.5
Of which:	
Merseyside special development area	44.2

Notes

All figures are gross and include payments to nationalised industries. The major items of expenditure included are regional development grants, selective financial assistance under section 7 of the Industry Act and expenditure on land and factories. Apart from expenditure on land and factories there is no predetermined allocation of resources between separate areas or regions. Expenditure depends therefore on the level of applications from eligible firms within the areas or regions. The northern region for this purpose comprises Northumberland, Tyne and Wear, Durham, Cleveland and Cumbria (excluding Ulverston, Grange-over-Sands, Dalston-in-Furness and Barrow-in-Furness). The north-western region comprises Merseyside, Cheshire, Greater Manchester, Lancashire, the Peak District of North Derbyshire, Ulverston, Grange-over-Sands, Dalston-in-Furness and Barrow-in-Furness.

Cotton textile quotas

Nicholas Winterton (Macclesfield) asked what action the Department of Trade was taking in respect of both Greece and Turkey, which had not honoured their agreement on cotton textile quotas to the EEC and the UK in particular.

Mr Parkinson said there were no quotas on cotton textile imports into the EEC or the UK from Greece or Turkey. Turkey had been notified of levels below which the community would not take safeguard action against her imports. Greece had a voluntary restraint agreement with the EEC. On one product the Greek authorities had issued export licences in excess of the agreed level and the government was asking the commission to raise the matter with them.

Post Office legislative powers

Edmund Marshall (Goole) asked for a list of all the instances of the Post Office's powers under statutes currently in force to make regulations.

Mr Marshall said the Post Office could make regulations under section 79 of the Representation of the People Act 1949 and section 53 of the Electoral Law Act (Northern Ireland) 1962, including as applied by the European Assembly Elections Act 1978. In addition section 28 of the Post Office Act 1969 empowers the Post Office to make schemes determining its charges and other terms and conditions applicable to its services.

Private carriers

Michael Brotherton (Louth) asked the Secretary of State for Industry if he would direct the chairman of the Post Office to grant licences to private carriers during the current hold-up in the delivery of mail.

Mr Marshall replied that the statutory position was that the letter monopoly could only be suspended by the secretary of state at the request of the Post Office. The granting of licences was a possibility but he understood from the Post Office that it had received no approaches.

Small firms' counselling

Derek Foster (Bishop Auckland) asked how many small firms in the northern region had received assistance from the small firms counselling service.

Mr Mitchell said the small firms service had dealt with 776 counselling cases in the northern region since its commencement in November 1977 up to May 1979. Since March this year a technical counselling service had been available in the region and 14 small firms had made use of this facility to May.

Small firms' assistance

Mr Foster (Bishop Auckland) also asked for the amounts received by small firms, for each year since 1974, in regional development grants, regional selective assistance, and selective financial assistance in the northern region.

Mr Mitchell said in the period from 1 March 1974 to 30 April 1979, the following offers of regional selective assistance under section 7 of the Industry Act 1972 were made to firms in the northern region employing 200 staff or less:

£'000

Year	No. of projects	Value of offer
1974	52	1 066
1975	64	1 112
1976	68	1 004
1977	77	4 532
1978	61	3 399
1979	16	759
Total	338	11 872

Similar information in respect of regional development grants and selective financial assistance was not readily available.

Airports facilities

Cranley Onslow (Woking) asked what improvements had been made, within the last 12 months, in general aviation facilities at airports serving the London area and what plans there were for further improvements within the next two years.

Mr Tebbit said that during the last 12 months access to the general aviation apron at Heathrow had been improved; maintenance facilities had been provided at Stansted; better customs facilities and lower tariffs for light aircraft had been introduced at Southend; and a hard surface runway had been laid at Fairoaks. At Luton extensive improvements were under consideration; and at Leavesden there were plans for resurfacing the runway and modernising navigational aids. Although construction work had led to temporary difficulties at Gatwick improvements were planned for the future. Plans continued to be developed for improvements at Biggin Hill.

Multifibre arrangement

Nicholas Winterton (Macclesfield) asked what form of regime the Department of Trade intended to promote when the multifibre arrangement was due for renewal in 1981.

Mr Parkinson said the government expected that some form of orderly marketing arrangement in textiles would continue to be necessary after the present arrangements expired, and would consider at the appropriate time what form this should take.

Wednesday, 4 July

Microprocessor application research

Norman Buchan (West Renfrewshire) asked what amount of government expenditure was spent on microprocessing research and development and what proportion this was of the total government research and development expenditure on industrial projects.

Mr Mitchell said that microprocessor application research and development was a widespread activity playing a not readily quantifiable part in many projects. The Department of Industry was spending in the region of £1 million on projects or parts of projects in government laboratories and industry during 1979-80. Additionally some aspects of the microelectronics applications project to which £11 million had been committed in 1979-80 were relevant. The total was around 6 to 7 per cent of the department's estimate for expenditure on R&D this year.

NEB assistance in north

Derek Foster (Bishop Auckland) asked how many firms had been assisted in the northern region by the National Enterprise Board.

Mr Marshall said the board had invested £2.3 million in seven companies that were wholly based in the department's northern region; they provided about 700 jobs. In addition four other companies, in which the board had made substantial investment on a national basis provided about 1450 jobs in the region.

Footwear scheme

Michael Morris (Northampton South) asked the Secretary of State for Industry if he had taken a decision about the future of the footwear industry scheme of assistance.

Sir Keith Joseph replied that the footwear industry scheme was to be allowed to run its course and would remain open for applications until 31 March 1980 with a further 12 months allowed for completion of projects.

Asbestos imports from Cyprus

Dennis Skinner (Bolsover) asked how much crysolite had been imported into the UK from Cyprus in each of the last 10 years.

Mr Parkinson gave the following information:

DETAILS OF UK IMPORTS OF ASBESTOS FROM CYPRUS

Thousand tonnes

1969	6.09	1974	6.76
1970	6.79	1975	8.29
1971	6.96	1976	7.53
1972	8.94	1977	7.81
1973	7.77	1978	5.40

He explained that white asbestos (crysolite) was not separately distinguished in the Overseas Trade Statistics, but the bulk of trade was likely to be in the form of asbestos.

Textile imports from US

Nicholas Winterton (Macclesfield) asked what action the Department of Trade would take to increase tariffs on United States commodities, particularly textiles, entering the UK because of the policy of the dual pricing of oil.

Mr Parkinson said the EEC council of ministers had agreed that the community would have recourse without delay to the appropriate provisions of the Gatt should the community textiles market be disrupted on account of artificial differences in energy and feedstock prices available to overseas producers.

Trade with Malta

Nicholas Winterton also asked about the current position of the UK's trade with Malta, and in particular whether the EEC was supporting Britain's stand on tighter quotas from Malta.

Mr Parkinson said a further round of negotiations between the EEC commission and the Maltese had taken place on 28 June and had resulted in an agreement by the Maltese to restrict their exports of clothing and textiles to the community. The levels negotiated for the UK were generally close to, and in some cases below, the level of 1978 trade. The Maltese had undertaken to lift the embargo which they had placed upon the import of UK textiles and clothing.

Thursday, 5 July

Nationalised companies' compensation

Michael Colvin (Bristol North West) asked the Secretary of State for Industry to list those companies nationalised under the Aircraft and Shipbuilding Industries Act 1977, showing how much had been paid to each of them by way of compensation, and the dates these payments had been made; and if he would indicate which companies had not been paid in full in accordance with terms of the act and when he expected these final settlements to be made.

Mr Marshall gave the settlements announced to date, as follows:

£'000

	Date	Amount (including any payment on account)
Listed securities		
Robb Caledon Shipbuilders Ltd	24.6.77	1 739
John G. Kincaid and Co Ltd (preference shares)	24.6.77	118
Unlisted securities		
Barclay, Curle and Co Ltd Clelands Shipbuilding Co Ltd The Goole Shipbuilding and Repairing Co Ltd Swan Hunter Shipbuilders Ltd Smith's Dock Co Ltd Swan Hunter Training and Safety Co Ltd	5.7.78	15 000
Hawker Siddeley Aviation Ltd Hawker Siddeley Dynamics Ltd	15.8.78	60 000
Austin and Pickersgill Ltd	16.8.78	14 000
George Clark and NEM Ltd	1.11.78	1 940
Hawthorn Leslie (Engineers) Ltd	5.6.79	1 475

Payments on account had been made in respect of the companies for which compensation remained to be settled. These payments were made pursuant to announcements made by the previous government on 25 January, 21 April, 18 July and 23 November 1978 and on 3 April 1979. The total payments made were:

	£'000
British Aircraft Corporation (Holdings) Ltd	40 000
Scottish Aviation Ltd	2 100
Brooke Marine Ltd	650
Cammell Laird Shipbuilders Ltd	400
Hall Russell and Co Ltd	650
John G. Kincaid and Co Ltd (ordinary shares)	2 250
Scott Lithgow Ltd Scott Lithgow Drydocks Ltd	750
Vickers Shipbuilding Group Ltd	8 450
Vosper Thorneycroft (UK) Ltd Vosper Shiprepairers Ltd	1 350
Yarrow (Shipbuilders) Ltd Yarrow (Training) Ltd	2 250

Mr Marshall could not say when the remaining cases would be resolved. Two had been referred to arbitration. Negotiations were proceeding on the others and it was not possible to say whether these cases would be settled by negotiation or arbitration. Payments of compensation were made on behalf of the government by the Bank of England, within about two weeks of the announcement of a compensation settlement or of payments on account.

Microprocessor workshops

John Grant (Islington Central) asked how many people had attended the government's workshop programme on microprocessors; how many already had some knowledge of microprocessors; and what were the government's plans in respect of microprocessors following the end of the current workshops programme.

Mr Mitchell said that the latest available figures showed that with more than a half of the workshop programme still to be completed, 847 delegates had attended. Of those some 44 per cent recorded that they would be using microelectronics and a further 47 per cent intended to give the possibility consideration. The workshop programme was part of the overall microelectronic awareness programme already approved, some elements of which would come into full effect later this year. The government was reviewing the situation beyond that.

Sector working parties

Gwilym Roberts (Cannock) asked the Secretary of State for Industry what study he had made of the work carried out by the heating, ventilating, air-conditioning and refrigeration sector working party, and what plans he had for continuing and developing the work of this sector working party.

Mr Mitchell replied that the work of the sector working party for heating, ventilating, air-conditioning and refrigeration equipment would be included in the review which the director general of NEDO was undertaking at the invitation of the National Economic Development Council into the effectiveness of existing sector working parties. The director general would present his recommendations to the council in due course.

Gatwick airport

Peter Hordern (Horsham and Crawley) asked the Secretary of State for Trade if he would publish a table showing the number of passenger movements of Gatwick airport in each of the last 10 years, divided between chartered and scheduled flights with an estimate for the current year.

Mr Tebbit gave the following information:

TERMINAL PASSENGERS AT GATWICK Million passengers

Year ended 31 March	Scheduled	Non-scheduled	Total
1970	0.7	2.4	3.1
1971	0.7	3.1	3.8
1972	0.9	4.1	5.0
1973	1.2	4.2	5.4
1974	1.5	4.2	5.7
1975	1.5	3.6	5.1
1976	1.3	4.0	5.3
1977	1.5	4.4	5.9
1978	1.9	4.9	6.8
1979	2.6	5.4	8.0
1980 (estimate)	3.2	5.8	9.0

Price Commission information

Michael Brotherton (Louth) asked on how many occasions in its period of existence the Price Commission had required companies to provide confidential information; where such information was stored; and what would happen to the information after the abolition of the commission.

Mrs Oppenheim said it would not be possible to answer the first part of the question without disproportionate expenditure. Confidential information in the possession of the commission was stored under secure conditions. When the commission was abolished, records considered to be of permanent value would be retained and would become the property of the secretary of state. They would not be available for public inspection until 30 years had elapsed, in accordance with the provisions of the Public Records Acts 1958 and 1967.

Friday, 6 July

Innovative technology

Iain Mills (Meriden) asked if there were any plans to offer incentives to the motor and motor components industry in order to speed the progress of innovative technology that would lead to lower fuel consumption by motor cars and trucks.

Mr Mitchell said the range of support schemes currently operating under the Science and Technology Act were utilised by a whole range of industries in support of innovative technology including measures to improve fuel consumption.

Annual inquiries

John Heddle (Lichfield and Tamworth) asked the Secretary of State for Trade whether he considered the inquiries currently being made into the distributive and service trades by his department under section 1 of the Statistics of Trade Act 1947 were relevant and necessary; and what was the cost of such inquiries.

Mr Eyre replied that these annual inquiries had been carried out for the past 20 years and had been considered relevant and necessary. However, he would be reviewing them to ensure that the burden of form-filling on industry and trade was reduced to the minimum and to eliminate waste. The estimated total cost of these inquiries, including costs borne by other departments, was about £1 million in 1978-79.

Faulty imported footwear

David Trippier (Rossendale) asked the Secretary of State for Trade if, in view of the correspondence between the Lancashire Footwear Manufacturers' Association and the Office of Fair Trading, he was satisfied with the effectiveness of existing methods for monitoring faulty footwear from imported sources.

Mrs Oppenheim said that she was satisfied that to ask local authorities, who collected statistics about complaints on a voluntary basis and sent them to the Office of Fair Trading, to distinguish complaints on imported footwear would constitute a disproportionate burden on them.

Post Office productivity

Tony Marlow (Northampton North) asked about the productivity of the Post Office in terms of letters delivered per employee and parcels delivered per employee for each of the last 10 years.

Mr Marshall gave the following information:

LETTERS AND PARCELS HANDLED PER POST OFFICE MAILS OPERATION EMPLOYEE

Year	'000s
1969-70	92
1970-71	85
1971-72	86
1972-73	89
1973-74	93
1974-75	87
1975-76	81
1976-77	78
1977-78	80
1978-79	83 [1]

[1] Provisional figure.

He said it was not possible to distinguish between staff handling letters and staff handling parcels.

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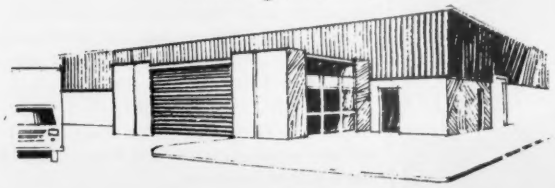

JAPAN

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Overseas trade news

UK export success based on quality – Parkinson

Britain's export success in the past was not based on the cheapness of our products but on their quality, Cecil Parkinson, Minister for Trade, said in London on 5 July. Speaking at the opening of the British Exhibition Contractors' Association conference, he said it would be a sad reflection on all of us if a soggy pound was a prerequisite of Britain's industrial competitiveness.

He asked exporters to consider three things. First, a rise in the exchange rate lowered the cost of importing their raw materials and restrained increases in domestic costs and inflation.

Second, there was still enormous scope for increasing productivity and improving non-price factors – delivery, quality, design, marketing – in this country, and the pressures of living with a strong exchange rate should force through improvements in precisely those areas.

And third, Britain's major industrial competitors like Japan and West Germany had continued to succeed in winning a very high proportion of world export markets despite their strong currencies, largely as a result of continual improvements in quality and all the other non-price factors.

Mr Parkinson acknowledged the concern of exporters about the effect of the increasing strength of sterling on overseas sales. He continued: 'The exchange rate is very much determined by market forces which in turn currently and, realistically, reflect the value of our North Sea oil reserves, and I remain convinced, in any case, that devaluation cannot be the long-term answer for this country.'

Over 1100 firms in BOTB-supported events

More than 1100 British firms, supported by the British Overseas Trade Board, will participate in 65 trade fairs and seminars in 25 countries in the three months from July to September. The board will also assist over 700 firms to take part in 50 outward trade missions to 30 countries and support eight retail store promotions overseas.

The Duke of Kent, BOTB vice chairman, will visit the British display at the world telecommunication exhibition – Telecom '79 – in Geneva, from 20 to 26 September. Under the sponsorship of the Electronic Engineering Association, 32 British companies will demonstrate the latest techniques, services and products in the telecommunications field including a presentation of the Post Office's new System X equipment and its capabilities.

For the first time, BOTB will be organising a British pavilion at the Damascus international trade fair from 4 to 23 July where 12 firms will be exhibiting. At the international engineering exhibition in Melbourne from 23 to 28 July there will again be a British pavilion and 28 firms representing Britain's engineering industries will demonstrate advances in equipment and technical know-how. In Tokyo a group of 11 British companies will exhibit at the international toy fair from 3 to 5 September under the sponsorship of the British Toy and Hobby Manufacturers Association. A total of 87 British firms under the dual sponsorship of the British Leather Federation and the Skin, Hide and Leather Traders Association will take part in international leather week in Paris from 8 to 11 September.

Britain will be one of the largest national contingents at the two-yearly international fine food and provisions exhibition (Anuga) in Cologne from 8 to 13 September – 107 firms sponsored by the British Food Export Council will take part. A total of 54 British companies will be represented at Brno's international engineering fair from 12 to 20 September under the sponsorship of the Birmingham Chamber of Industry and Commerce, the Scientific Instrument Manufacturers Association and the Federation of Manufacturers of Construction Equipment and Cranes. And in Nairobi from 25 to 29 September a contingent of 27 British firms sponsored by the Birmingham Chamber of Industry and Commerce will take part in the annual international show.

JCB equipment for Moscow building projects

Signing a contract for £270,000-worth of JCB equipment to be used for construction work in Moscow are (left to right): Mr W. J. Milligan, JCB regional sales manager for planned economy countries, Mr A. P. Bamford, JCB chairman and managing director, Mr O. D. Lovkov, managing director, UMO Plant Ltd, and Mr A. E. Agishev, deputy managing director, UMO Belarus Ltd. The order is the major part of purchases worth over half a million pounds so far this year of British-made construction equipment by UMO Plant Ltd of Letchworth.

UK firm in S. Korea textile joint venture

Stone-Platt Industries Ltd has announced that it is taking part in a major joint venture for the manufacture of certain types of spinning machinery in the Republic of Korea.

Describing the project in London on 5 July, Stone-Platt chairman Sir Geoffrey Hawkings pointed out that South Korea had been a major and growing market for his company's textile machinery divisions for many years: Platt Saco Lowell and Ernest Scragg had each enjoyed a substantial share of the new business, with Platt Saco Lowell selling much of the new conventional spindleage and also open-end spinning machines and Scragg the major portion of new draw-texturing machines.

Platt Saco Lowell's partner in this 50/50 joint venture is the SamWhan Corporation, one of the major construction and engineering operations in Korea, and the new company will be known as SamWhan Platt Company Ltd. The initial equity investment will be approximately £4 million, subscribed equally by SamWhan Corporation and Platt Saco Lowell, and approximately 180 assorted machine tools will be involved.

It is planned to employ about 250 people on the plant site – approximately 40 km west of

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Busan in the Chang Won industrial complex – by the end of next year, rising to 450 people by the end of a five-year manufacturing programme which will eventually produce 80 per cent of parts from in-house manufacture or local sourcing. Stone-Platt anticipates that five or six ex-patriate staff will be employed full-time in the initial phase of operations.

Shortage of hotels in Dar es Salaam

Business visitors to Dar es Salaam are warned by the Department of Trade that suitable hotel accommodation is normally in short supply and they are advised to make bookings well in advance.

The British high commission at Dar es Salaam has made it clear that it is unable to assist in reserving accommodation.

British chamber organises outward mission to Sweden

In line with the British-Swedish Chamber of Commerce's twenty-fifth anniversary activities, a special outward trade mission to Sweden, taking in Stockholm and Gothenburg, has been arranged for 17 to 23 September this year.

The aim of the tour is to give potential, as well as already established, British exporters, an opportunity to study the expanding Swedish market at close range.

Instead of flying to their destination, participants will cross the North Sea on board a Tor Line ferry, where they will receive an informal pre-arrival briefing on Sweden, in the form of a seminar.

Businessmen interested in taking part should contact the British-Swedish Chamber of Commerce in Sweden, Birger Jarlsgatan 6B, S-11434, Stockholm, Sweden, telex 10838 Britcom S, tel. 209570/72.

Missions report back – in Manchester

Members of the first-ever Manchester chamber of commerce mission to the Yemen Arab Republic will be holding a special report-back session at the chamber next Tuesday, 17 July, at 11.15.

The firms taking part represented a wide cross-section of north-western industry, from machinery and equipment to consumer goods and civil engineering. Members will brief businessmen on their findings, answering questions from the floor.

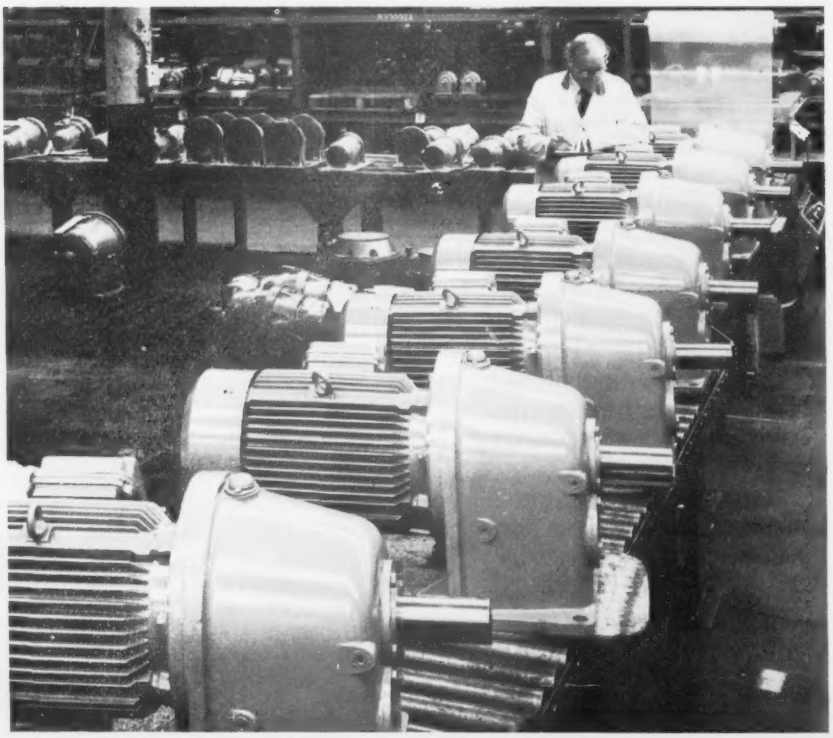
. . . and London

Members of the London chamber mission to Syria and Jordan which ended last week will present a report on their findings at the London chamber at 11.00 on 19 September.

The industries represented on the mission included agricultural machinery and equipment, hotel and catering supplies, industrial and automatic fire ventilation and heating, pump and generator manufacturers, materials-handling and storage equipment and banking.

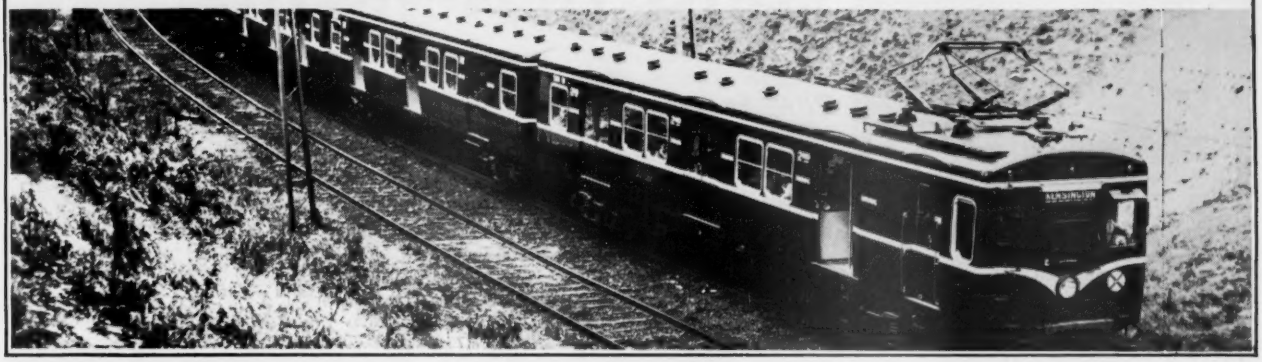
Geared motor units for Brazil steelworks

First David Brown Helicon geared motor units ready for the semi-continuous billet mill to be built by Davy-Loewy Ltd, a Davy Corporation company of Sheffield, as part of the Açominas steel project at Ouro Branco, Minas-Gerais, in Brazil. The picture was taken in Park Gear Works, Huddersfield.



Multiple unit trains go down under

GEC Traction has received an order for electric propulsion equipment for a total of 200 power cars and 100 trailers for Victorian Railways in Australia. The vehicles will be made up into six-car trains and will operate on the 1500 V dc suburban network around Melbourne. The picture shows an earlier generation of GEC Traction powered multiple unit in Victoria.



ECGD general purpose lines of credit

The table lists lines of credit guaranteed by the Export Credits Guarantee Department under which there is capacity for further export business to be financed as at 30 June 1979.

Departmental reference	Tel. ext at ECGD HQ	Recipient country	Borrower	UK bank	Unless otherwise stated these lines are for UK capital or semi-capital goods and services	Loan value £ million	Minimum single contract value £'000s	Final date for entering into contracts
990434/32	7575	Czechoslovakia	Ceskoslovenska Obchodni Banka AS	National Westminster Bank Ltd		4	20	24 January 1980
990434/26	7575	Czechoslovakia	Ceskoslovenska Obchodni Banka AS	National Westminster Bank Ltd		2	20	25 September 1979
40-0/79/205/ 990302/48	654	Egypt	Bank of Alexandria	Morgan Grenfell and Co Ltd		3	50	30 June 1980
53-0/262/ 990604/1	529	Ghana	Bank of Ghana	Standard Chartered Merchant Bank Ltd	UK capital plant equipment, machinery, vehicles and associated services	20 *	250 *	19 October 1979
990302/43	7575	Hungary	National Bank of Hungary	Morgan Grenfell and Co Ltd		5	20	21 March 1980
990302/55	7575	Hungary	National Bank of Hungary	Morgan Grenfell and Co Ltd		5	20	11 October 1980
LC 815	607	Israel	The First International Bank of Israel	N. M. Rothschild and Sons Ltd		2	15	2 August 1979
LC 823	607	Israel	Industrial Development Bank of Israel Ltd	S. G. Warburg and Co Ltd		3	15	30 September 1979
49-0/78/331/ 990256/20 & 23	607	Israel	Bank Hapoalim BM	N. M. Rothschild and Sons Ltd		6	15	15 February 1980
49-0/78/331 990256/21	607	Israel	Bank Leumi Le Israel BM	N. M. Rothschild and Sons Ltd		7	15	19 September 1979
43-0/78/331/ 553042/1	607	Israel	United Mizrahi Bank Ltd	Manufacturers Hanover Export Finance Ltd		3.6 *	25 000 *	30 November 1979
LC 687	529	Kenya	Industrial Development Bank Ltd	Morgan Grenfell and Co Ltd		2	125	30 June 1979
990051	7368	Korea (South)	Korea Exchange Bank	Lloyds Bank Ltd		10	15	31 May 1980
BC(MC) 42/99029	558	Mexico	Petroleos Mexicanos	Baring Bros and Co Ltd	Reimbursement facility for UK capital plant and services (for PEMEX only)	50 *	100 *	February 1980
43-0/990353	595	Mexico	Nacional Financiera SA	Barclays Bank International Ltd		20 *	200 *	7 November 1979
mLC 700	7574	Poland	Bank Handlowy W. Warszawie SA	Lloyds Bank Ltd	Semi-finished and finished UK steel	30 *	100 *	2 September 1979
990302/45	7574	Poland	Bank Handlowy W. Warszawie SA	Morgan Grenfell and Co Ltd	UK produced barley and wheat	30 *	250 *	30 September 1979
990434/27	7574	Poland	Bank Handlowy W. Warszawie SA	National Westminster Bank Ltd	UK artificial fibres and chemicals	30 *	100 *	27 February 1980
990086/24	7574	Poland	Bank Handlowy W. Warszawie SA	Midland Bank Ltd		5	20	5 April 1980
LC(FC) 801	607	Portugal	Sociedade Financeira Portuguesa EP	N. M. Rothschild and Sons Ltd		8 *	35 *	21 June 1979
LC 763	7575	Romania	Romanian Bank for Foreign Trade	Barclays Bank International Ltd		5	20	4 May 1980
LC 764	7575	Romania	Romanian Bank for Foreign Trade	National Westminster Bank Ltd		5	20	24 February 1980
LC 777	7575	Romania	Romanian Bank for Foreign Trade	Barclays Bank International Ltd	UK plant and equipment to make good the damage done by the March 1977 earthquake, and associated UK services	10	20	9 July 1979
LC 824	7575	Romania	Romanian Bank for Foreign Trade	Lloyds Bank Ltd		5	20	11 December 1979
990302/46	7574	USSR	The Bank for Foreign Trade of the USSR	Morgan Grenfell and Co Ltd		10	50	7 September 1980
990051/28	7574	USSR	The Bank for Foreign Trade of the USSR	Lloyds Bank Ltd		10	50	29 September 1980
LC 746	7575	Yugoslavia	Udrezena Beogradska	Barclays Bank International Ltd		10	20	30 June 1979
m990302/53	7575	Yugoslavia	Privredna Banka Sarajevo-Udrizena Banka	Morgan Grenfell and Co Ltd		5	20	11 April 1980
59-0/78/731/ 990302/40	529	Zambia	Roan Consolidated Mines (RCM)	Morgan Grenfell and Co Ltd	UK plant and equipment for RCM's general mining purposes and associated services	4	10	30 October 1979
59-0/79/731/ 990604/6	589	Zambia	Bank of Zambia	Standard Chartered Merchant Bank Ltd	Goods wholly or partly produced in the UK and associated services	25	25	31 December 1979

* Dollar figures.

Notes: 1 Requests for further information on any of these lines of credit should be made to the bank concerned or to Export Credits Guarantee Department, PO Box 272, Aldermanbury House, Aldermanbury, London EC2P 2EL (tel. 01-606 6699, extensions as listed in the second column). 2 Exporters when negotiating business which might be financed under one of the above lines of credit should ensure that their contract price contains sufficient margin to cover the cost of any premium payable. These details can be obtained from the bank concerned.

Generating a greater sense of realism

Protectionism and aid emerged as dominant themes at the fifth United Nations conference on trade and development (Unctad V) in Manila in May. *Trade and Industry* has already carried reports of its broad conclusions (8 June, page 415 and 15 June, page 465). We now elaborate more fully on the wide range of issues considered by the conference and on the UK's objectives in dealing with the problems that face developed and developing countries alike.

Unanimous agreement that the world's economic problems cannot be solved by concealed or open protectionism was reached at Unctad V in Manila in May. And further work was set in hand, in the general agreement on tariffs and trade (Gatt), on import restrictions affecting developing countries' exports, and in the Unctad, on the continuing adjustment of global patterns of industrial production to changes in patterns of trade. None of the western countries at Unctad could accept all the developing countries' proposals but a number of issues on which no agreement could be reached was referred to the Unctad permanent machinery for further consideration.

The developing countries had consolidated their own proposals for Unctad V at a ministerial meeting in Tanzania in February, where they adopted a lengthy 'programme for collective self-reliance and a framework for negotiations' which defined their broad objectives on all the main items on the Unctad agenda. At the conference, they kept very closely to the lines of this document. An underlying theme of this Arusha programme was the developing countries' desire to have a greater influence on the management of the world economy. The programme envisaged a proliferation of intergovernmental groups within the Unctad framework to consider the whole range of the Group of 77's demands on trade, monetary and financial issues. The effect would have been to shift authority away from the existing international institutions such as the Gatt and the IMF and to extend the competence of the Unctad in these areas.

Led in the final week by Cecil Parkinson, Minister of State for Trade, the UK delegation's objective at the conference was to try to promote a serious discussion of ways of furthering the international effort to deal with the real problems that face developing countries and to seek to persuade them that developed and developing countries alike share a common interest in maintaining and strengthening – not in overturning – the existing international arrangements for co-operation on trade and financial issues. The delegation included officials from the Department of Trade, Treasury, Foreign and Commonwealth Office, including the Overseas Development Administration, Department of Industry, Ministry of Agriculture and the Bank of England.

The UK's approach on all the major economic issues at the conference was shared by all the main partners in the European community and OECD. In common with other developed countries, the UK voted against resolutions that were adopted by majority vote including civil aviation, a study of a proposed new complementary financing facility to stabilise commodity producers' export earnings, international monetary reform and bulk shipping. The UK, again in common with some other countries, made statements of reservation on some of the resolutions adopted by consensus. These included an explanation, in relation to the resolution on resource transfer, that we could not enter into commitments about future levels of aid in anticipation of the outcome of the government's review of public expenditure.

Market access and adjustment

The Group of 77 attacked what they saw as increasing protectionist action by developed countries against imports from developing countries and they linked this problem very closely with that of industrial adjustment. Two of their key demands on market access issues were that existing sectoral arrangements such as the multifibre arrangement (MFA) should be dismantled within a specific period, and that there should be a case-by-case examination of the grounds for protective measures affecting their trade. They were critical of both the procedure and substance of the Gatt multilateral trade negotiations (MTNs) and sought a revision of the legal basis of the generalised system of preferences (GSP).

A resolution was adopted by consensus on protectionism which recognised the importance of continuing to resist protectionist

The United Nations conference on trade and development (Unctad) is the key organisation in the United Nations dealing with economic aspects of the north/south dialogue. Set up in 1964 as a permanent body, its first conference was held in Geneva. Following that, Unctad II took place in New Delhi (1968), Unctad III in Santiago (1972) and Unctad IV in Nairobi (1976). The Unctad has a secretariat based in Geneva and a series of permanent committees which pursue work set in hand by the main conference.

About 150 countries are members of Unctad and for the purposes of negotiations these are split into four groups: Group B (developed western countries); Group of 77 (developing countries); Group D (Soviet bloc) and China.

'Hints to exporters' new edition

A revised edition of the 'Hints to exporters' booklet on Iceland is now available.

British exporters can order booklets in this series by post, accompanied by the appropriate remittance, from the Department of Trade, Publications Sales Unit, Export House, 50 Ludgate Hill, London EC4M 7HU, at £1 per copy, plus postage and packing as follows: one copy 20p; 2 to 4 copies 30p; 5 to 7 copies 40p; and more than seven post free.

Copies may also be purchased by personal callers at Export House and at the offices of the Department of Industry at Newcastle upon Tyne, Cockermouth, Manchester, Leeds, Nottingham, Birmingham, Bristol; from the Scottish and Welsh Offices and from the Department of Commerce, Belfast.

Notices to importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.

1746: revision of certain quota levels

Following notice to importers 1727 (*Trade and Industry*, 19 January 1979), certain quota levels have been revised by agreement between the EEC commission and the countries concerned. The countries and categories affected, and the levels to apply for 1979, are as follows:

Country	Category no.	Units	Quantity 1979
Hong Kong	15B	000 pcs	655.5
	17	000 pcs	747.5
	21	000 pcs	4 649
Korea	21	000 pcs	2 488

Inquiries: Import Licensing Branch, tel. 01-603 4644 ext. 275, Hong Kong; 311, Korea.

pressures. But developed countries could not agree to dismantle arrangements such as the MFA or accept an unqualified commitment not to introduce new restrictions against disruptive imports from developing countries. Similarly, no developed country could agree to negotiate in Unctad in the whole spectrum of its industrial policies, which touch its domestic as well as its external objectives.

However, developed countries agreed to reaffirm their existing commitments not to introduce new barriers to the developing countries' exports and to 'move towards' the elimination of existing barriers. They also agreed on a realistic programme of work within the Unctad on global adjustment issues.

The results of the MTNs for developing countries will be studied by Unctad's permanent machinery. The developed countries, including the UK, emphasised their willingness to pursue a dialogue with the developing countries in the Gatt on the implementation and operation of the MTN package, but made it clear that it would have been both wrong in principle and impracticable to re-open the settlement reached in the Gatt on the MTNs.

On GSP, the European community, like other GSP donors, could not accept commitments which would undermine the autonomous nature of the scheme by making preferential tariff concessions for developing countries legally binding. This issue will be considered further in Unctad's permanent machinery.

Commodities

In common with many other developing countries, the UK announced its willingness in principle to contribute to the 'second window' of the common fund. The second window part of the package, agreed at the last session of the negotiating conference in March, is designed to promote commodity development measures; the first window will help finance international buffer stocks. The developing countries attach a good deal of importance to the second window facility and generally welcomed the declaration of intent to pledge money to it. A resolution was adopted which set in motion a further programme of work within Unctad on the processing, marketing and distribution of commodities.

Together with other Group B countries (see box), the UK voted against a Group of 77 proposal for a new complementary financing for the stabilisation of export earnings of developing countries. The IMF already has a compensatory financing facility and is currently examining ways of improving this, including measures designed to focus it more specifically on fluctuations in commodity earnings. There is no proven case for a new and separate facility in Unctad whose sole purpose would be to do this. Indeed, the effect might be to generate resource transfers to the less needy developing countries, which would leave less available to the poorest. The IMF is, in any case, the competent body to deal with the question.

Shipping

Immediately before the conference, the EEC had ratified the UN code on liner conferences as far as it applied to EEC/developing country trade and a resolution on the liner code was adopted by consensus at Manila. However, all Group B countries (with the exception of Turkey) voted against proposals for a bulk shipping regime.

The developing countries' demands for cargo sharing in the bulk trades would have damaged important British economic interests, and distorted the world shipping market in ways which would be ultimately harmful to both developed and developing countries.

Group B similarly voted against a resolution designed to phase out flags of convenience, and abstained on a resolution on technical assistance and ship finance, because no agreement had been reached on the bulk trade issue.

Aviation

The particular problem that had given rise to a Group of 77 resolution on civil aviation was the implementation of new international civil aviation policy on routes between the UK and Australia which had been initiated by the Australian government. The Group of 77, in particular Singapore, claimed that this involved 'unfair and discriminatory practices' because it discouraged stopovers in certain developing countries. An existing UN body, the International Civil Aviation Authority (ICAO), is responsible for such issues and the involvement of Unctad would be quite inappropriate. For this reason, the UK and other Group B countries voted against the resolution.

Transfer of technology

The transfer of technology has been a long-standing issue in Unctad and some progress was made at the conference, with resolutions agreed on certain aspects of the subject, principally on strengthening the technological capacity of developing countries. The main point left unresolved after the last session of the negotiating on conference on the code of conduct for the international transfer of technology, namely whether or not the code should be legally binding, was not settled in Manila. Discussion will continue at a resumed session of the negotiating conference: Group B is convinced that a legally binding code would be damaging to the interests of both developed and developing countries since it would probably in practice actually discourage the transfer of technology.

Aid

Developed countries endorsed their commitment to the United Nations' 0.7 per cent gnp aid target. An agreed resolution on resource transfers included a special emphasis on aid to the least developed countries. The UK, while concurring with the principle of the resolution, made a statement of reservation explaining that no new commitments on aid could be entered into in anticipation of the government's general review of its public expenditure plans.

The conclusion of the conference was a reasonable and sensible one and by no means unproductive. Consensus was reached in a number of areas; in others the developed countries could not accept that the Group of 77's demands were in the real interest of either developed or developing countries. Some of the issues raised by the Group of 77 are properly the responsibility of other international institutions, for example the Gatt and the IMF, and their competence should not be infringed unnecessarily. Discussion will continue in the Unctad on many of the unresolved questions, and the debate at Manila should have contributed to generating a greater sense of realism in this future work.

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Special features ● Pocket size – only 125 x 85 x 40 mm ● Batteries purify 40 litres ● Unit guaranteed twelve months.

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Overseas supplies incorporated

On 4 April this year the Crown Agents Bill received royal assent and early next year for the first time since the Crown Agents for Oversea Governments and Administrations came into existence in 1833 they will achieve incorporated status. This article describes their supplies service for overseas governments and international bodies outside the private sector and its links with the British aid programme.

As financial, professional and commercial agents for overseas governments, public authorities and for international bodies, the Crown Agents not only purchase but also aim to undertake the entire supply function. From the request to purchase to the arrangements for such matters as shipping, insurance, inspection, installation and commissioning and payment and accounting the Crown Agents are equipped to provide a fully comprehensive service with their supplies directorate providing much of the co-ordination necessary to ensure the smooth flow of operations.

The effect of this year's Crown Agents' Act is to put their operations on a proper statutory basis and to clarify their relationship with both the government and parliament. The act defines the powers and functions of the Crown Agents in an incorporated body and so removes the previous ambiguities arising from their status as an unincorporated office. It does not however alter their traditional activities on behalf of their principals (some of which are described below) nor does it affect the traditional relationship of confidentiality between the Crown Agents and their principals.

Any line of supply must begin with a purchase request and the Crown Agents' field of general procurement is necessarily a wide one. Contracts totalling £217 million were placed last year involving some 30 000 orders, and representing an increase in value of £10.7 million over 1977. Crown Agents' procurement covers a wide range of items, from uniforms to fertiliser, from railway engines to telephone exchanges. In their normal purchasing the Crown Agents are free to buy anywhere in the world – unless otherwise instructed by their principals – and, as a result, they have buying operations in Washington and Japan and in Malaysia and Singapore; the Singapore base was established largely to meet the localised buying needs of client governments in south-east Asia.

The Crown Agents' stated aim is to buy the right goods at the right price and quality and to deliver them in the right place at the right time. And even under conditions of competitive tender they by no means buy from the cheapest available source without question. In the field of pharmaceuticals, for example, quality control checks are carried out, to ensure that pharmacopoeic standards are being maintained, along with checks on hygiene and storage in order to ensure maintenance of quality.

Inspection

In 1904, to safeguard the quality of machinery and plant and materials for general stores, the Crown Agents developed their own inspection service. Last year contracts requiring inspection were received to the value of £184 million, an increase of 26 per cent over 1977. Inspection work overseas increased by 49 per cent.

In order to provide on-the-spot facilities the Crown Agents maintain inspection offices in Germany, Japan, Singapore, Hong Kong and India, as well as inspection offices in the industrial areas of the UK. Inspection services

Land-Rovers being loaded for overland transportation to Ankara.

cover inspection and testing of raw materials; dimensional checks and functional and performance tests; drawing and part list checks as well as checking of packing or protection for shipment.

Shipping

In order to give full effect to their buying capability the Crown Agents maintain an extensive shipping department which last year arranged the dispatch of 22 000 consignments which represented some 305 000 freight tonnes.

Goods are either shipped as instructed by the client or, in the absence of specific instruction, conveyed by the safest and most appropriate means. This may be by sea or air freight, including container shipment, or sea or air charter or postal service. All of these methods are used extensively depending on circumstances, destination, and clients' preference.

Insurance

In order to safeguard cargoes in transit a marine insurance service has been developed over the years and last year insurance was arranged on 28 000 consignments valued at a total of £113 million. Special insurance arrangements were made on exceptional risks along with renewal of cover with Lloyd's underwriters for other insurance situations in client countries.

Consultancy

A variety of personnel services is available through the Crown Agents and their consultancy services in particular are expanding into a number of different fields.

Consultants, and consultancy advice and assistance, can be provided not only in the engineering disciplines – associated with, for example, roads and building construction, tv development, power stations, and water and sewerage development projects, among others – but also in such general supply matters as the internal distribution of goods or in the arrangements necessary to establish a supplies department within a client's administration.

Development aid

The total value of new orders placed by the Crown Agents in 1978 against British aid loans and grants was about £79 million and it is in this field, tied as it is to British sources, that UK suppliers of capital equipment registered with the Crown Agents can really demonstrate their ability to meet delivery dates and generally perform to their contracts.

The types of aid-funded equipment purchased in recent times have included forklift trucks, dyestuffs and irrigation equipment for Bangladesh; typesetting equipment for Belize; pipes and joints for Lesotho; transformers for the Seychelles; diesel engine spares for Sri Lanka and refrigeration equipment for Sudan.

In addition to Crown Agents' purchases, the British aid programme also encompasses a very large volume of direct purchases from UK sources by aid recipient governments but even here the Crown Agents invariably administer the aid funds on behalf of the Overseas Development Administration of the Foreign and Commonwealth Office, and they very often also manage the loan or grant account on behalf of the recipient administration.

While British tied aid is available only for purchases in the UK a significant volume of Crown Agents' aid procurement can also be conducted abroad particularly in the field of International Bank for Reconstruction and Development and International Development Association loans and credits where Japanese and Indian sources have however tended to score heavily in recent years.

Mobile crane handed over to Crown Agents inspector at Bristol before shipment to Solomon Islands.

Aid can of course take many forms. At the moment, for example, the Crown Agents are currently arranging the purchase and shipment of large supplies of fertiliser as the UK contribution to the UN food and agricultural organisation's efforts to make this commodity more available to the agriculturally oriented developing countries.

Becoming a supplier

Firms wishing to be considered as suppliers to the Crown Agents should write with full details about their company and product to:
Mr W. F. Jarret, PR9A, Crown Agents, 4 Millbank, London SW1P 3JD.
Tel. 01-222 7730.

Disaster relief

The Crown Agents are often called upon to assist in disaster relief, usually under the guidance and instruction of the Overseas Development Administration. Items purchased include drugs, dressings, blankets, temporary shelter and food.

While the quality of goods provided is maintained the orders themselves are nevertheless placed with a variety of sources, often by telephone for later confirmation, frequently after the dispatch of the goods. Relief work in 1978 covered many areas and included Sri Lanka, India, Vietnam, Sudan, Somalia and Belize.

Supplier records

Some 20 000 suppliers are known to the Crown Agents and the records of 11 000 of these are maintained on a computerised master file in order to give ease of access for purposes of evaluation as to capacity, standing and performance.

With such a volume of traffic in the Crown Agents' business it is of value to suppliers to be aware of how Crown Agents establish new sources of supply. These can be by:

- ☐ self-introduction; often a supplier will write unsolicited to Crown Agents giving details of his product and seeking opportunities for tender; a relationship might then develop, swiftly or otherwise, depending on the performance of the supplier – particularly as to delivery – and of course on the competition and the demand for the product concerned in the developing countries;
- ☐ chambers of commerce planning promotional programmes and exhibitions often introduce suppliers to the Crown Agents and Crown Agents themselves are invited from time to time to mount presentations for such bodies;
- ☐ cross-introduction; a supplier unable to meet a particular request will often suggest a supplier who can do so; this is particularly relevant and helpful in the field of disaster relief when goods are required urgently;
- ☐ Crown Agents' principals often nominate sources of supply in their indents, having found previous items from the nominee company satisfactory or having received data or other information from the supplier which has led them to believe that he can best meet the delivery, price and specification requirements;
- ☐ trade directories and journals;
- ☐ responses to the publicly advertised tenders which Crown Agents occasionally issue – although this is usually only when the funding source policy (eg World Bank) requires a project or requirement to be publicised; arrangements are being made for some bilateral aid opportunities for exporters to be publicised through the Department of Trade's Export Intelligence Service.

Overseas trade exhibitions

UK transport technology makes impact at IVA

From Caroline Gibson, British consulate-general, Hamburg

After 24 arduous days, ending on 1 July, the international transport exhibition (IVA) in Hamburg was pronounced a success much to the relief of the organisers and some exhibitors who had been somewhat apprehensive as to the overall value and tone of this ambitious show. In all, the exhibition proved satisfactory for the British participants and, apart from the possible hard commercial results, putting the British transport industry on display was well worthwhile. The clean and efficient design of the stand and the advanced technology shown in the exhibits was impressive.

This was the first exhibition of its kind in the world. With 28 countries exhibiting including 18 official national stands, the fair authorities endeavoured to make this a truly international event and invited 70 ministers and government officials as well as specialists from overseas with a special emphasis on third-world countries. It received the strong support not only of the City of Hamburg but also of the federal government, as was demonstrated by the presence of the outgoing president, Walter Scheel, who gave the main address at the opening ceremony, his last major public function.

There was no doubt that the British stand organised by the fairs and promotions branch of the British Overseas Trade Board in cooperation with the Department of Transport and comprising over 30 exhibitors was a credit on all counts and was among the best of the foreign exhibits. In keeping with the general character of the show, in which railways featured prominently, British Rail and related firms were the largest UK contributors and every sector was represented. Among their exhibits the advanced passenger train (APT) and the total operations processing system (TOPS) attracted the most attention. Other exhibits included traffic control, double and single-decker buses and models of the Concorde and the hovercraft.

Kenneth Clarke, Parliamentary Under-Secretary for Transport, visited the exhibition on 11 June which was the designated British national day. His full programme included a visit to the British stand and some of the highlights of the exhibition.

It is too soon to say how successful the British exhibitors were but some inquiries could lead to substantial business. Many participants did not expect to achieve any immediate commercial successes but were satisfied with the large number of inquiries and general interest shown. Most firms made contacts which they will be able to develop in the future.

The concept of the exhibition was to demonstrate the latest technical achievements in all fields of transport and no expense was spared by the exhibitors in showing their hardware which included rail transport and railway electronics, road transport, public transport, traffic control, magnetic suspension, telecommunications, aircraft and space technology and shipping. Concurrent with the exhibition were a series of seminars and conferences under the auspices of federal German and international professional bodies to which experts from all over the world were invited.

Kenneth Clarke (right), transport parliamentary secretary, discussing export prospects for the Leyland Titan bus at IVA with Marcus Smith, general manager of Leyland Vehicles passenger vehicle division.

Newcomers and regulars impressed at Hanover

From Michael Whelan, British consulate-general, Hanover

For four days – from 20 to 23 June – Hanover was once again the centre of interest for the world's pig and poultry production industries. The exhibition, with 512 direct exhibitors and a further 213 represented firms, was the largest of its kind ever to be staged. It attracted more than 40 000 visitors from 48 countries worldwide.

As can be expected, Great Britain was well-represented in all sectors, including pig and poultry breeding and production and processing equipment, egg grading and packaging, animal feeds and animal husbandry equipment. Fifteen of a total of 26 British firms took part in a joint venture, sponsored by the British Agricultural Export Council and supported by the British Overseas Trade Board. BAEC and the Ministry of Agriculture, Fisheries and Food also manned an information stand.

The majority of British firms are 'regulars' at Hanover and consider this biennial event the most important date on the international show calendar. There were also a few newcomers who were excited by the tremendous level of interest shown in their products. Among these was the Pig Environment Co Ltd, whose 'pig train', a unique concept in pig housing providing ideal environmental convertion ratios, created a great deal of interest. And Norton Engineering Alloys Co Ltd, manufacturer of special aluminium alloy slatted flooring for piggeries, expressed great satisfaction at the success of its first showing.

Generally, all British exhibitors were satisfied with the number of inquires and orders taken, and it was noticeable that prospective buyers were again looking for quality goods rather than price advantage. Inquiries received by the British contingent totalled a potential order value of almost £3 million.

The show, which was opened by the Federal German Agriculture Minister, Josef Ertl, has developed into an ideal meeting place with opportunities to exchange views on technical innovation, mechanisation and developments. Parallel to the event, a series of technical talks were given by specialists in the fields of livestock production.

Approximately 80 per cent of the visitors were from the host country, and of the 20 per cent foreign guests, a quarter came from the

Netherlands. The visitors reception also recorded guests from as far afield as New Zealand, the United States, Canada and south America, although eastern bloc visitors were not very prominent.

The next pig and poultry exhibition is due to take place from 24 to 27 June 1981, again in Hanover.

British blow their trumpets in Atlanta

From Denis H. Payne, British consulate-general, Atlanta

Atlanta became the biggest music store in the world from 9 to 12 June, with everything you ever wanted to toot, blow, bang, fiddle or pluck. Private concerts by major stars added to the festivities at this National Association of Music Merchants international music and sound exposition, which attracted 414 exhibitors and 17 500 trade visitors.

The British invasion – 21 companies took part in a joint venture sponsored by the Association of Musical Instrument Industries – concentrated on the phenomenal growth in the United States disco market but the traditional music industry was also represented by such firms as the Scottish manufacturer of bagpipes, R. G. Lawrie. Altogether the British manufacturers had much to offer in every field. The United States market is always looking for new products and provides an ideal opportunity for aggressive British firms.

With the British contingent there were 79 foreign exhibitors with large numbers from Italy and Canada and small groups from several other countries. This is the leading exposition of its kind in the United States and although it leads to many sales its main value is as a shop window to introduce new products, develop existing contacts and to establish new ones.

United States retail sales of musical instruments, related sound modification equipment and sheet music, moved ahead an estimated 10 per cent in 1978 over the previous year to a total value of nearly 2,300 million dollars, with imports representing nearly 200 million dollars, of this amount, a 39 per cent increase over 1977. And this brisk international trade in musical instruments points to a growing world market for music in which British firms are ready and able to blow their own trumpets.

UK firms take orders at US plastics show

From Douglas Newcomb, British consulate-general, Chicago

Actual orders amounting to £36,000 and orders pending which could well exceed £150,000 were reported by the 10 British companies exhibiting at the National Plastics Exposition, held in Chicago from 18 to 22 June, in a joint venture co-sponsored by the Birmingham Chamber of Industry and Commerce and the British Overseas Trade Board. Four members, Optimum Machinery Sales Ltd, A. Mears and Co Ltd, Hanwood Engineering, and Accrapak Systems Ltd, sold all their equipment off their stands.

The exposition, sponsored by the Society of the Plastics Industry, is held every three years. Apart from the British presence among this year's 685 exhibitors, it is an exclusive showplace for the United States plastics industry.

Several members of the joint venture said that they were pleased with the quality of the show and the number of inquiries they received, Over 1500 inquiries were taken during the five-day event, and a number of these were from American firms wanting to represent the British comapnies. At the end of the exposition, the joint venture members unanimously agreed that the exposition was worthwhile and that it should be revisited when it is held again in June 1982.

Opportunities for UK in Japanese textiles market

From George Julian, British embassy, Tokyo

Two years ago when the British embassy's commercial department was planning this year's exhibitions at the British Export Marketing Centre (BEMC), economists predicted that 1979 would be the year when Japan would finally emerge from the recession. So it would be a year of predominantly consumer shows. The economists seem to have got it right as all the figures point to increased consumer spending and, with it, more imports.

Following successful carpet and furniture exhibitions the first all-British household textiles show to be held in Japan took place at the BEMC in Tokyo from 12 to 16 June. Good results were achieved and keen interest was shown by Japanese traders.

The exhibition, like the others earlier this year, took advantage of the ever-going sophistication and westernisation among the Japanese, the trend to colour co-ordination in the interior furnishing arrangements of their homes and the increasing opportunities for British exporters. A typical comment was that of Miss L. A. Armstrong, export sales representative of Walker and Clark, showing quality continental quilts and also some sportswear, who said that as a newcomer to the Japanese market the firm has learned a great deal about the Japanese consumer taste and it was confident that it had the ability to produce the right products for this market.

Ten firms exhibited with a wide range of products. Courtaulds Household Textiles, terry division, spearheaded its own wide range of household textile products with its Christy towels. John Lewis Overseas Ltd showed printed and woven curtain upholstery fabrics and vinyl wall coverings. An interesting newcomer to the market was Nouveau Fabrics, whose originally designed wall coverings and curtain co-ordinates won immediate response. Filigree Textiles showed its new collection of chair curtains and Stiebel of Nottingham had on display a wide range of Terylene lace net curtains and furnishing fabrics.

Bedspreads and bath mats were shown by both Turner Brothers (Candlewick) Ltd and Andriesse Ltd. Burkraft's wool towel travel rugs continued to increase its penetration on the Japanese market and another newcomer, Hobart Rose Ltd, showing a wide range of cushions and allied fabrics, won an interest in its products.

All exhibitors established contacts to keep them busy in follow-up calls in the week after the exhibition.

In view of the good response from all sections of the trade, the show should become a regular at the centre. The attendance was good with over 1000 traders and exhibitors commented appreciatively on the quality of the audience. Most of them said that they would wish to show within the next year or so.

There is an increasing demand in Japan for all types of household furnishings, particularly fabrics using cartoon characters designed for children. Bed linen and similar items are also increasingly attractive to sophisticated Japanese consumers and this is an area where local manufacturers still lack experience.

In many product areas however, there has been a tendency by foreigners to licence local manufacture as the easiest way into the market. Prospects are now much better for direct export than they have ever been. There are 115 million quality-conscious consumers with money to spend in an economy that will continue to grow by 5 to 6 per cent a year for the foreseeable future. This makes Japan a market which exporters surely cannot afford to ignore.

Bold elegant designs of Courtaulds household textiles at Tokyo.

Overseas trade country data

Australia

Sheets and plates of iron and steel. Following consideration of a report by the Temporary Assistance Authority on the question of assistance for the production of these goods in Australia, the Australian government has decided that import quotas will continue to apply but that the quota level will be increased from 162 500 tonnes in the current year to 175 000 tonnes for the quota year beginning on 1 July 1979. The new quota allocation is as follows:

Hot rolled goods, 23 000 tonnes
Cold rolled goods, 95 000 tonnes
Galvanised goods, 57 000 tonnes

Inquiries: OTAR 01-248 5757 ext. 468/469/401.

Car imports. The Australian government has announced that the 1979 passenger motor vehicle final global import quota has been set at 93 000 vehicles. The interim global quota of 90 000 units was allocated last year following the November review. This final quota is based on the expectation that 1979 market for cars will reach 465 000 units.

As reported in *Trade and Industry*, 3 March, the Industries Assistance Commission is currently examining the question of import control arrangements for these vehicles for 1980 and 1981. The commission is due to make its report to government in August.

Inquiries: OTAR 01-248 5757 ext. 468/469/401.

Rock drills. The Australian government has requested the Industries Assistance Commission to inquire into and report on the question as to whether short-term assistance should be accorded the production in Australia of bits, wholly or partly of cemented carbide for rotary or percussive rock drills, falling within tariff items 82.05.01 or 85.05.9.

UK firms and trade associations intending to submit evidence at the public hearing, the date and location which will be published as soon as they are known, should advise the Secretary, Industries Assistance Commission, PO Box 80, Canberra, ACT 2600, Australia, without delay. Evidence may be submitted either through the accredited agent of the firm or trade association concerned, or through the Australian-British Trade Association, 6th Floor, Dorland House, 18-20 Lower Regent Street, London SW1Y 4PW, which will represent UK interests if authorised. The association charges a fee for its services, the amount varying according to the work involved in the preparation of a submission and whether or not the interested party is a member.

Inquiries: CRE 01-215 5319.

Ref: CRE 1073/79

Blowing balloons. The Australian Minister for Business and Consumer Affairs, has announced that a ban has been declared on the supply of novelties for blowing balloon-like shapes from solutions containing polyvinyl acetate, acetone and/or benzene. These substances may pose health hazards to children.

The minister said that the banning of these items under section 62(2D) of the Trade Practices Act and the Customs (Prohibited Imports) Regulations had been endorsed by Commonwealth, state and territory health and consumer affairs authorities.

Inquiries: CRE 01-215 5319.

Ref: CRE 35184 CRE 43900

Canada

Methapyrilene. Following a study of the carcinogenicity of methapyrilene, the Canadian Health Protection Branch published a notice on 18 June recommending that the sale of products, including sales at retail level, containing methapyrilene, be prohibited. The prohibition came into effect on 11 July.

Inquiries: CRE 01-215 5629.

Malta

British textiles. Since 9 November 1978 the Maltese had been operating a ban on imports of British textiles and clothing. The Maltese authorities have now announced that the ban has been lifted from 5 July.

Inquiries: CRE 01-215 5350.

Montserrat

Import restrictions. The Montserrat authorities have announced that the following item now requires an import licence:

Fish salted, dried or smoked

The Montserrat authorities have further announced that the following item is now prohibited:

Motor vehicles exceeding 16 ft 6 in in length and 6 ft in width not being a motor omnibus, motor lorry or tractor

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 7312.

Customs duties and consumption tax. The Montserrat authorities have amended the rates of customs duty and consumption tax payable on the following items:

Motor vehicles, motor cycles, scooters, etc, motor vehicle parts

The Montserrat authorities have announced that the following items are now free of customs duty:

Natural asphalt, paints, varnishes, etc, builders woodwork, building materials of asbestos, cement, etc, tiles, pipes and other clay construction materials, joists, girders, angles, etc, of iron and steel, sheets, tubes and builders' hardware of aluminium, structural parts of aluminium and other non-ferrous based metals, hardware of metal, insulated wires and cables for electricity, sinks, basins, baths, etc, of all materials and lighting fixtures and parts of all materials

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

New Zealand

Sales tax. The New Zealand government has announced that as from 17 May 1979 a sales tax of 10 per cent or 20 per cent has been placed on the following goods:

10 per cent sales tax

Household goods. Including whiteware, cutlery, tableware and kitchenware

Hand tools. All types of hand tools, including those used by tradesmen are taxable, including power-operated hand tools (certain tools of a specific agricultural nature are exempt)

Lawnmowers. Only those of a specific agricultural design are exempt

20 per cent sales tax

Caravans. All types of caravans, including camper trailers and demountable camper units are taxable, as well as all accessories such as stone guards, awnings and the like; this includes trailers under 3.5 tonnes

Boats. All pleasurecraft including yachts, dinghies, canoes, skiffs, power boats and the like are subject to tax

Ice cream. Including foodstuffs manufactured from ice cream

Beverages. The only type of beverages exempt from the tax are fruit juices, tea, coffee, cocoa and similar beverage bases; milk and milk products and certain nutritional drinks for infants. All other aerated waters and non-alcoholic beverages pay sales tax.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Budget. On 21 June Mr Muldoon, New Zealand's Prime Minister and Minister of Finance, presented his 1979 budget. The main features likely to be of interest to UK exporters are:

1 Devaluation of the New Zealand dollar by 5 per cent.

2 New or increased rates of sales tax to be imposed on beer, tobacco and spirits

3 Limited changes in the import licensing system introduced to make New Zealand industry more competitive

4 Energy – to encourage use of indigenous fuel, the following incentives have been introduced for the use of CNG:

4.1 grant of 25 per cent of capital cost of installations approved for providing CNG (compressed natural gas) as motor fuel;

4.2 immediate write-off for tax purposes of balance of approved capital expenditure for schemes qualifying under 4.1;

4.3 Immediate write-off for tax purposes of costs of converting business vehicles to CNG

5 Agriculture – policy of providing assistance to farmers continues; investment allowance

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exports (CRE) Divisions, 1 Victoria Street, London SW1H 0ET (tel. direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757. In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

has been reduced from 40 per cent to 20 per cent for plant and equipment for agriculture in an attempt to encourage better utilisation of existing machinery

6 Fishing – suspensory loans available for up to 40 per cent of capital costs of installing approved refrigeration and chilling equipment on fishing vessels

7 Insurance – government will consider methods of retaining more business in New Zealand including review of tax on premiums paid to overseas insurers and the development of reinsurance industry to save or earn foreign exchange.

Inquiries: CRE 01-215 5321.

Ref: CRE 900/79

Norway

Skateboards. Norwegian Customs and Excise has been given instructions not to allow skateboards to be imported into Norway.

No further information is available, but British exporters may address any inquiries to OTAR 01-248 5757 ext. 458.

Seychelles

Customs tariff changes. The government of Seychelles has increased the rates of duties on some alcoholic beverages and preparations containing potable alcohol in accordance with the statutory instrument 52 of 1979. The changes came into effect on 1 June 1979.

Inquiries: OTAR 01-248 5757 ext. 471.

South Africa

Tariff application. Customs tariff application list 21/79, published in the South African *Government Gazette*, 29 June, contains an application to the Board of Trade and Industries for increase in duty on:

1 Containers of iron or steel, for compressed or liquefied gas, of weldless construction, of a capacity not exceeding 27 litres, classifiable under tariff subheading 73.24.80

2 Hand-controlled electrically-controlled weed and edge cutters, classifiable under tariff heading 85.05

Those British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association.

If any firm proposes to make independent representations to the South African authorities and requires further information concerning the application, it should address inquiries to CRE tel. 01-215 5274.

United States

Methapyrilene. Following a report by the National Cancer Institute stating that methapyrilene, an anti-histamine used in over-the-counter sedatives, is a carcinogen, the Food and Drug Administration announced on 14 June that it has decided to ban the drug.

Further information including the date of effect will be published when available.

Inquiries: CRE 01-215 5629.

Overseas trade export services

BR strengthens drive for cross-channel business

British Rail has introduced a new European rail traffic organisation to strengthen the marketing drive for passenger and freight business between Britain and the continent by rail and sea. It is headed by James Evans as European rail traffic manager who takes over the responsibility for developing and marketing all rail passenger and freight to and from Europe.

Sealink UK Ltd, BR's shipping subsidiary, will concentrate on managing and developing its ferry operations and the marketing of car ferry and commercial vehicle (ro-ro) services.

The new organisation embraces business development, passenger fares, freight tariffs, service quality, timetable production and associated publicity, monitoring of freight in containers and Ferry Train wagons and development of through parcels services. European community and International Union of Railways (UIC) matters affecting rail marketing and operations will also be covered by Mr Evans.

The department will have close contact with BR Hovercraft Ltd (Seaspeed), Sealink UK Ltd, Freightliners Ltd, continental railway administrations and BR regions. The European rail traffic manager will participate in the direction of Sealink Travel Ltd, and of British Rail sales offices on the continent.

Further information: circle 543

New name in freight

Following its acquisition of Rankin Kuhn Freight Ltd, the Bamberg Group launched a new name in the freighting world at the beginning of this month – Eagle International Freight Ltd.

Through Rankin Kuhn Freight, the new company has inherited a 'ready-made' international freight forwarding organisation with 15 locations in the UK and two in Europe, and particularly close ties with the oil industry. It will operate a fleet of trucks from 32 tonnes downwards on its 'Night-rider' and 'Hot-shot' distribution services.

'Night-rider' serves airports, docks and clients on a door-to-door basis with delivery normally within 12 hours, while 'Hot-shot' is a nationwide, 24-hour service covering the express processing of urgent export and import consignments.

Further information: circle 544

Dubai Express opens Gatwick office

Dubai Express, the principal clearing and forwarding agent at Dubai Airport, has opened a UK office at Gatwick. Since the beginning of the month the new office has been handling Gulf originating traffic – either direct from its Dubai head office or via other Gulf gateways.

Alan Armstrong has been appointed manager of the new UK unit, which is based in the Viking Air Freight building at the Lowfield Heath airfreight complex, adjacent to Gatwick's main runway. As Mr Armstrong explains, the office was established in order to give UK importers and exporters a focal point for their traffic arriving or originating in the UK. Shippers had previously to contact two or three different organisations for the total door-to-door movement.

Further information: circle 545

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

One of the heaviest ro-ro shipments ever moved through the port of Larne was handled recently by Irish Sea operator Pandoro and heavy haulage specialist Robert Wynn and Sons. With a gross weight of 130 tons and length of 94 ft, the load was formed by an 85-ton marine diesel engine and special low-loader trailer and tractor unit. Built by APE-Crossley, Manchester, the 10 400 metric hp Crossley-Pielstick engine was bound for Harland and Wolff in Belfast.

European community news

UK receives over £100 million EEC aid

EEC grants and loans totalling over £100 million for new investment in the coal industry, construction of fishing vessels and land drainage schemes, and for the processing of agricultural and fish products were announced on 2 July.

Most of the cash is in the form of a £93 million loan to the National Coal Board for investment in several collieries – Frickley, Bentley, Woolley, Denby Grange, Markham Main, Yorkshire Main and Shireoaks in Yorkshire and collieries in South Wales and the Midlands.

Land drainage and fishing

The European agricultural guidance and guarantee fund (Feoga) is providing £4 million in grants towards the construction of over 50 fishing vessels in fishing ports throughout Scotland, Northern Ireland and England. A further £1 million goes to various land drainage projects.

The commission which decides on the individual projects to be aided from the Feoga fund has not made any further budgetary provision for awards under this scheme, laid down in EEC regulation 17/64. Instead, a limited number of applicants may be eligible for aid under regulations relating to the inshore fishing industry.

The total value of Feoga aid for UK projects financed under this scheme between 1973 and 1979 is £58 million.

Agricultural processing

Thirty-two projects in the agricultural and fish processing sectors will receive grants totalling £3,447,388 under the Feoga marketing and processing regulations.

CAP price adjustment nets UK £34 million

Britain will benefit by £34 million from the recent price adjustments under the common agricultural policy. In a written reply to the House of Commons, agriculture secretary Peter Walker said that the latest revised figures given by the commission of the cost of the price settlement added up to a total of £298 million, taking devaluation of the green pound into account. Britain would have to pay 16½ per cent of this figure, £49 million.

Benefits to the UK from the butter subsidy, school milk subsidy and receipts due to green pound devaluation amount to £83 million, which after paying our share of the added costs leaves a net gain of £34 million.

Mr Walker said, 'There has been much talk that the ministers' agreement added £1,000 million to the cost of the CAP. The reason for this was not an increase in expenditure but primarily due to the fact that the ministers refused to increase revenue by about £560 million by accepting the commission's proposals for a high and discriminatory co-responsibility levy.

'Had this proposal been accepted, although it would have added about £560 million of revenue to the budget, Britain would have paid a share of that revenue out of all proportion to its size or to the size of its dairy industry. The acceptance of such a proposal would have substantially increased Britain's contribution to the overall cost of the budget. The UK does not contribute to the common agricultural policy as such but contributes to the community budget as a whole.'

Offshore supplies grant scheme to end

The system of interest relief grants to UK firms supplying goods and services for the development of the UK's offshore oil and gas resources is to end. Answering a parliamentary question on 2 July, Hamish Gray, energy minister of state, said that grants under this scheme would normally not be available for new contracts placed after 31 March next year nor for additions made after that date to existing contracts. But he added that offshore operators and the suppliers would continue to be entitled to register such contracts and additions for grant with the Offshore Supplies Office for a further three months, that is up to 30 June 1980. Payment of grants in respect of contracts and additions registered up to that date would continue beyond it, in accordance with the established rules of the scheme.

'In reaching this decision,' Mr Gray continued, 'the government considered most carefully the future of the scheme in relation both to its value as a means of compensating for preferential export credit rates available for overseas supplies and the need to reduce public expenditure. We have decided that it no longer represents value for money overall. This conclusion also has regard to the fact that since the previous Conservative government introduced the scheme in 1973, the situation has changed in that all our community partners gave assurances in 1977 that they did not or would no longer provide preferential export credits for intra-community trade, including continental shelf trade. The decision which I have announced in fact honours the undertaking given to the UK Offshore Operators Association by the previous administration of nine months' notice of any substantial changes to the scheme.'

Mr Gray pointed out that while the IRG scheme would need to end, the government continued to attach very great importance to the efforts of British industry in maintaining the position it had won in the offshore market. British industry would need to continue to demonstrate its competence and reliability but the government would ensure that it obtained a full and fair opportunity to win business for the continental shelf on a competitive basis.

EIB loan of £1.5m for Lancashire engineering plant

A loan of £1.5 million has been granted towards a new factory at Skelmersdale to manufacture turbocharges for diesel and petrol engines.

The loan, from the European Investment Bank, has been made for seven years at 9.5 per cent to Garrett Airsearch Ltd, which is investing a total of £7.2 million to increase its production capacity by about 75 per cent.

Turbocharges can boost engine power by about 30 per cent, permit reductions in fuel consumption of between 15 and 20 per cent and cut the noxious content of exhaust fumes by between 10 and 20 per cent.

The new production facilities, on the West Pimbo industrial estate, close to the company's present factory, should be fully operational by end-1980, providing 210 new jobs and a further 70 by end-1982 in an area where unemployment is running at about twice the UK average.

Price display directive adopted

Common rules requiring prices to be indicated for foodstuffs throughout the community at retail level, including where appropriate both the selling price and the price for a standard quantity by weight or volume, were adopted by the council of ministers on 19 June. In the UK these requirements are already met to a large extent by existing legislation.

The text of the council directive (79/581/EEC) on consumer protection in the indication of the prices of foodstuffs – popularly referred to as the unit pricing directive – was published in the *Official Journal of the European Communities* L158, pages 19-21, on 26

June, and the text of an accompanying council resolution on the indication of the prices of foodstuffs and non-food household products prepackaged in pre-established quantities in *Official Journal* C163, pages 1-2, 30 June 1979.

Under the new rules member states will be free to decide:

☐ whether detailed rules are necessary to cover such matters as the method or manner of price indication, in the form of individual or shelf labels or price lists, for example; or exceptionally unit pricing by reference to a smaller quantity, eg ¼ lb or 100 g

☐ the extent to which the unit price would be meaningless and need not therefore be given – for foodstuffs sold by number, such as oranges or eggs; fancy products such as food hampers or Christmas selection packs of confectionery; recipe products such as table jellies or cake mixes.

☐ the extent to which foodstuffs prepackaged in pre-established quantities ('fixed weight' packs) are to be exempted from unit pricing

☐ whether any exemptions from price indications should apply in the case of food sold in shops by 'counter-service', where this would impose an excessive burden on the retailer.

Additionally the UK and Ireland may determine, whether unit prices are to be expressed by reference to imperial or metric units, or both, for as long as the use of imperial units is authorised by community provisions.

Member states are required to implement the provisions within two years.

Non-food household products

The council resolution invites the commission to submit proposals for a directive on price indications for non-food household products; and for a proposal relating to conditions for applying unit pricing to 'fixed weight' packs of foodstuffs before July 1983.

Consultation procedure proposed for power station siting

A draft regulation which would establish a consultation procedure on the siting of power stations located near frontiers and other stations likely to have environmental effects in the territory of another member state was sent by the commission to the council on 17 May. The consultation procedure may be initiated when a member state may be affected by a power station project of another member state. The commission would assess the possible effects of the project with the assistance of a group of experts, nominated by member states, and then deliver its opinion within six months to the countries concerned.

The commission's proposal for a consultation procedure was previously submitted to the council in 1976 but was withdrawn last year. The commission feels that there is now an urgent need to re-examine and adopt its proposal partly because of the inadequacy, in some cases, of existing bilateral consultation, and partly because of increased public sensitivity on environmental aspects of power plants as a result of the Harrisburg incident.

A resolution was adopted in 1978 which provided for the setting up of an expert group, composed of representatives of member states, for the mutual exchange of information on siting problems. The group began its work in March this year.

No timetable has been decided for consideration of the resolution, although the commission is hoping for adoption during the second half of this year.

Customs harmonisation directive agreed

Member states have reached agreement on the text of a customs procedures harmonisation directive which is likely to be adopted by the council and come into effect by 1 July 1981. Although legal changes will be necessary in the UK, the main provisions of the directive are generally in accord with existing customs import procedures.

One exception, however, will mean the withdrawal of the facility for the lodgement of entries up to four days before arrival of importing vessels. Customs will discuss this aspect fully with trade bodies over the coming months.

Ceramics industry research programme

Improvements in the supply of raw materials to the EEC's ceramics industry is one of the main objectives of a commission proposal published in June (C155/4) for a programme of technological research in the field of clay minerals and technical ceramics. The programme, which has been submitted to the council for approval, will receive 4.5 million Eua's (£7¼ million) spread over four years.

The programme also aims at the replacement of rare metals by ceramic products, development of industrial ceramics and coordination of research. Some 250 000 workers are employed in the community's ceramics industry in 1200 firms employing a high proportion of women. Total community turnover is about £6, 500 million, 20 per cent of which is exported.

In the UK about 60 000 are employed in the industry centred at Stoke-on-Trent, half of whom are employed in domestic pottery production. Turnover for the whole industry in the UK is around £500 million. Last year, UK exports of domestic pottery were worth £113 million, domestic pottery being a valuable export earner because it uses indigenous raw materials.

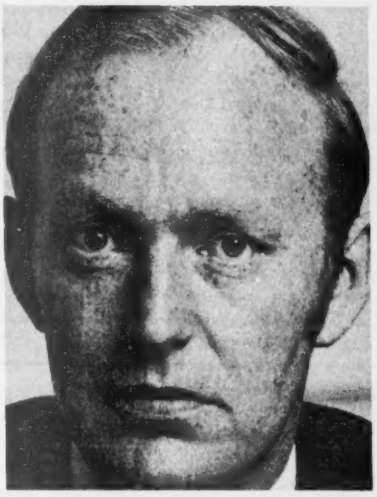
The community is the world's top ceramic producer, followed by Japan, the state trading countries, China, Spain, Brazil and small Asian countries. The United States is by far the EEC's biggest customer and also a keen competitor in industrial ceramics.

New head for European commission UK office

George Scott, journalist, author, and broadcaster, has succeeded Dr Richard Mayne as head of the European Commission's UK offices. Until recently Mr Scott was editor of the *Listener*.

Ireland takes over EEC Presidency

Irish foreign minister, Michael O'Kennedy, took office as president of the EEC council on 1 July for the next six months. A statement of his aims will be given to the newly elected parliament in Strasbourg at its inaugural sitting next week.



Food packaging regulations amended

Proposals for amendments to limit to one part per million the amount of vinyl-chloride monomer permissible in materials and articles intended to come into contact with food were issued on 3 July.

The proposals for regulations amending the Materials and Articles in Contact with Food Regulations 1978 will implement obligations arising from EEC directive 78/142. Vinyl-chloride monomer is used in the production of polyvinyl chloride (PVC), a plastic with many uses including the packaging of foodstuffs such as meat.

The regulation, which will establish a framework of protection for consumers by limiting trade in, and the use of, materials and articles which come into contact with food to those which do not transfer any of their constituents to the food in a harmful or unacceptable way, will come into effect on 26 November.

Copies of the proposals may be obtained from John Robbs, Food Additives and Contaminants Division, Ministry of Agriculture, Fisheries and Food, Room 555, Great Westminster House, Horseferry Road, London SW1P 2AE, tel. 01-216 7223. Comments on the proposals should be sent not later than 31 August.

Tariff quota for new potatoes originating in Cyprus

An EEC regulation, published on 28 June 1979, provides for the opening of a tariff quota for fresh or chilled new potatoes originating in

Cyprus. The quota applies retrospectively to the period 16 May to 30 June 1979. The relevant details are as follows:

Tariff subheading	07.01 A II b)
Goods	New potatoes, fresh or chilled
Country of origin	Cyprus
Special rate	9.4 per cent
Quota quantity, kg	60 000 000
Serial no.	1065

Retrospective claims relating to goods entered into free circulation on entries presented in the period 16 May to 30 June 1979 inclusive should be made direct to the Central Tariff Quota Unit (ICC3), King's Beam House, Mark Lane, London EC3R 7HE, and must be received there NOT LATER than 31 July 1979. Claims should state:

1. Port of importation } or name and addresss
2. Name of ship and date of report } of warehouse
3. Free circulation entry number and date
4. Entered net weight (kg)

If they were not submitted with the original customs entry, movement certificates (forms EUR 1) must be sent to the tariff quota unit together with the claims.

New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7174/482/408.

Common agricultural policy

The text of the following regulations, directives and decisions which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities:*

Seeds and plants. Decision 79/578/EEC amending fifth decision 76/538/EEC on the equivalence of field inspections carried out in third countries on seed-producing crops (*Official Journal* L158, 26 June 1979)
Decision 79/579/EEC amending fifth decision 76/539/EEC on the equivalence of seed produced in third countries (*Official Journal* L158, 26 June 1979)

Animal health. Directive 79/580/EEC prolonging, in respect of swine fever, tuberculosis and brucellosis, certain derogations granted to Denmark, Ireland and the United Kingdom (*Official Journal* L158, 26 June 1979)

Sugar. The *Official Journal of the European Communities* L162, 30 June 1979 contains the texts of the following regulations:
Regulation (EEC) 1288/79 fixing, for the 1979/80 sugar year, the sugar prices, the standard quality of beet and the coefficient for calculating the maximum quota
Regulation (EEC) 1289/79 fixing, for the 1979/80 sugar year, the derived intervention prices, the intervention price for raw beet, the threshold prices, the maximum amount of the production levy and the amount of the payment to offset storage costs
Regulation (EEC) 1290/79 fixing, for the 1979/80 sugar marketing year, the differential charge to be levied on raw preferential sugar and the differential amount to be granted in respect of raw cane sugar from the French overseas departments
Regulation (EEC) 1291/79 laying down, for the 1979/80 sugar marketing year, measures to facilitate the disposal of sugar produced in the French overseas departments
Regulation (EEC) 1292/79 amending regulation (EEC) 3331/74 on the allocation and alteration of the basic quotas for sugar
Regulation (EEC) 1293/79 amending regulation (EEC) 1111/77 laying down common provisions for isoglucose
Regulation (EEC) 1335/79 determining, in respect of the 1979/80 sugar marketing year, the amounts for storage and packing costs and the premium for raw sugar referred to in regulation (EEC) 2103/77
Regulation (EEC) 1336/79 fixing, for the 1979/80 sugar marketing year, the flat-rate amount provided for in the system of minimum stocks
Regulation (EEC) 1338/79 fixing the provisional amount of the production levy on isoglucose in respect of the period 1 July 1979 to 30 June 1980

Oils, fats and oilseeds. Regulation (EEC) 1294/79 fixing the target prices and basic intervention prices for colza and rape seed and sunflower seed for the 1979/80 marketing year (*Official Journal* L162, 30 June 1979)
Regulation (EEC) 1295/79 fixing, for the 1979/80 marketing year, the monthly increases in the target and intervention prices for colza and rape seed and sunflower seed (*Official Journal* L162, 30 June 1979)
Regulation (EEC) 1296/79 fixing, for the 1979/80 marketing year, the main intervention centres for colza and rape seed and sunflower seed and the derived intervention prices applicable at these centres (*Official Journal* L162, 30 June 1979)

Silk and silkworms. Regulation (EEC) 1297/79 fixing the amount of aid in respect of silkworms for the 1979/80 rearing year (*Official Journal* L162, 30 June 1979)

Animal feedingstuffs. Regulation (EEC) 1298/79 fixing, for the 1979 marketing year, the activating price for peas and field beans and the minimum price for these products (*Official Journal* L162, 30 June 1979)
Regulation (EEC) 1299/79 fixing, the flat-rate production aid and the guide price for dried fodder for the 1979/80 marketing year (*Official Journal* L162, 30 June 1979)

Wine. Regulation (EEC) 1302/79 amending article 2 of regulation (EEC) 352/79 authorising the coupage of German red wines with imported red wines. 'In article 2 of regulation (EEC) 352/79 '30 June 1979' shall be replaced by '31 October 1979' (*Official Journal* L162, 30 June 1979)
Regulation (EEC) 1303/79 amending article 33 of regulation (EEC) 337/79 on the common organisation of the market in wine and regulation (EEC) 338/79 laying down special provisions relating to quality wines produced in specified regions. 'In the second subparagraph of article 33(3) of regulation (EEC) 337/79 and in the fifth subparagraph of article 8(2) of regulation (EEC) 338/79, "30 June 1979" shall be replaced by "31 October 1979" ' (*Official Journal* L162, 30 June 1979)

Common customs tariff

Regulation (EEC) 936/79 on the classification of meat of bovine animals under subheading 02.01 A11a)4aa) of the common customs tariff (*Official Journal* L117, 12 May 1979).
Corrigenda. The *Official Journal* L147, 15 June 1979 contains the following correction to the above regulation:
Page 19, article 1, subheading 02.01 A II;
for: 'Of bone animals',
read: 'Of bovine animals'.

Imports from non-member states

The texts of the following decisions which authorise the relevant member states to refuse entry to the specific goods have been published in the *Official Journal of the European Communities*, the decisions relate to varying periods; full details are set out in the relevant decisions:
Decision 79/457/EEC authorising Germany not to apply community treatment to woven fabrics of regenerated textile fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (including terry fabrics) and chenille fabrics, falling within subheading 56.07 B of the common customs tariff (Nimexe codes 56.07-37, 44 ,48 ,52, 54, 57, 58, 63, 64, 66, 73, 74, 77, 78, 83, 84, 87) (category 37), originating in South Korea and in free circulation in the other member states. (*Official Journal* L117, 12 May 1979)
Decision 79/571/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to woven fabrics of synthetic fibres (discontinuous or waste) other than narrow woven fabrics, pile fabrics (including terry fabrics) and chenille fabrics, falling within subheading 56.07 A of the common customs tariff (Nimexe codes 56.07-01, 04, 05, 07, 08, 11, 13, 14, 16, 17, 18, 21, 23, 24, 26, 27, 28, 32, 33, 34, 36) (category 3), originating in Czechoslovakia and in free circulation in the other member states. (*Official Journal* L156, 23 June 1979)

New EEC documents

This list of EEC documents deposited in the House of Commons up to 28 June (commission reference numbers, where appropriate, are given in parentheses). The documents are available for consultation at the European Communities Information Office, 20 Kensington Palace Gardens, London W8 4QQ.

EEC draft instruments

7201/79. Commodities: Coffee – proposals for a council regulation (EEC) on the application of a system of certificates of origin provided for under the international coffee agreement 1976 when quotas are in effect (COM(79)258
7285/79. Proposal for a regulation extending until 31 December 1980 the special provisions applicable to the importation into the community from Greece of goods covered by regulation (EEC) 1059/69 (processed agricultural products) (COM (79)274
7307/79. Proposal for a regulation amending the staff regulations of officials and the conditions of employment of other servants of the European communities (COM(79)287
7312/79. Draft council regulation (EEC) temporarily suspending the autonomous common customs tariff duties on certain industrial products (COM(79)282
7348/79. Modified proposal for a council regulation (EEC) laying down certain technical measures for the conservation of fishery resources relating to the meshes of fishing gear, minimum sizes for species and authorised by-catch levels (COM(79)308
6844/79. Proposal for a council regulation adjusting the weightings applied to the remuneration and pensions of officials and other servants of the European communities (COM(79)239
7286/79. Proposal for a council directive on temporary suspension of the application of inward processing arrangements to certain dairy products (COM(79)276
7308/79. Proposal for a council regulation amending the staff regulations of officials of the European communities and conditions of employment of other servants of the communities (COM(79)248
7346/79. Proposal for a council decision concerning the conclusion of an agreement on the extension of the community network for data transmission (EURONET) to the territory of the Swiss Confederation (COM(79)284
7350/79. Proposals for council regulations (EEC) approving: the exchange of letters providing for provisional application of the agreement between the government of Senegal and the European economic community concerning fishing off the coast of Senegal and of two exchanges of letters referring thereto; the agreement between the government of the Republic of Senegal and the European economic community concerning fishing off the coast of Senegal and two exchanges of letters referring thereto (COM(79)302
7430/79. Proposal for a council regulation fixing, for the 1979-80 sugar marketing year, the differential charge to be levied on raw preferential sugar and the differential amount to be granted in respect of raw cane sugar from the French overseas departments (COM(79)289
7449/79. Proposal for a council regulation laying down, for the 1979-80 sugar year, measures to facilitate the disposal of sugar produced in the French overseas departments (COM(79)291
7490/79. Proposal for a council regulation (EEC) on the opening, allocation and administration of the community tariff quota of 38 000 head of heifers and cows, not intended for slaughter, of certain mountain breeds falling within sub-heading ex 01.02 AII(b) of the common customs tariff; proposal for a councul regulation (EEC) on the opening, allocation and administration of the community tariff quota of 5000 head of bulls, cows and heifers, not intended for slaughter, of certain alpine breeds falling within sub-heading ex 01-02 AII(b) of the common customs tariff (COM(79)293
7488/79. Proposal for a council regulation (EEC) fixing, for the 1979-80 marketing year, the main intevention centres for oil seeds and the derived intervention prices applicable at these centres (COM(79)297
7577/79. Draft council regulation to register crude oil or petroleum product purchases in the European community (COM(79)335
7646/79. Proposal for a council regulation (EEC) laying down certain conservation and management measures for common fishery resources off the west Greenland coast applicable in 1979 to vessels flying the flag of Canada (COM(79)338
7640/79. Proposal for a regulation amending the staff regulations of officials and the conditions of employment of other servants of the European communities (COM(79)203

The list of consultative documents deposited up to 28 June will be published next week.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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The economy: selected indicators[1]

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
				of which			of which					
			Total	Manufacturing industry	Distributive and service industries excl. shipping	Total	Manufacturing industry	Wholesalers'	Retailers'	Current balance	Visible balance	Invisible balance
	at 1975 prices		at 1975 prices			at 1975 prices				at current prices		
Base of index Series in Stock level at end-1977	1975	£ million	£ million			34,469	19,995	£ million 4,540	3,181	£ million		
1973	103.3	65 586	21 609	3 504	4 674	2 983	1 336	432	624	−967	−2 383	1 416
1974	101.4	64 162	21 173	3 822	4 605	1 459	1 288	361	−180	−3 550	−5 235	1 685
1975	100.0	63 328	20 536	3 522	3 841	−1 623	−1 221	−249	−100	−1 787	−3 236	1 449
1976	102.9	63 479	20 395	3 345	3 926	245	316	131	13	−1 072	−3 601	2 529
1977	104.9	62 897	19 961	3 573	4 325	949	442	266	29	371	−1 744	2 115
1978	108.2	66 431	20 456	3 856	4 677	1 034	597	6	333	443	−1 175	1 618
1976 3rd qtr	103.3	15 910	5 177	849	1 005	160	99	81	46	−421	−1 136	715
4th qtr	104.2	15 989	4 955	856	1 014	1 014	1 264	17	27	−292	−966	674
1977 1st qtr	103.8	15 610	4 821	851	1 030	402	235	82	117	−401	−946	545
2nd qtr	104.5	15 535	5 010	879	1 044	289	97	179	4	−253	−779	526
3rd qtr	104.8	15 849	5 057	910	1 103	−73	−6	−80	−59	513	−3	516
4th qtr	106.5	15 903	5 073	932	1 149	331	116	85	−33	512	−16	528
1978 1st qtr	106.0	16 326	5 152	923	1 162	323	38	81	62	−369	−596	227
2nd qtr	108.4	16 456	5 147	963	1 174	295	272	−62	128	208	−173	381
3rd qtr	109.2	16 831	5 132	982	1 162	304	175	45	54	154	−367	521
4th qtr	109.2	16 818	5 025	988	1 179	112	112	−59	89	450	−39	489
1979 1st qtr	107.4	17 021	4 927	946	1 209	378	83	100	87	−787	−11 81	394
% change last 2 qtrs on prev. 2 qtrs.	−0.5	+1.7	−3.2	−0.6	+2.2							
on a year earlier	+1.9	+5.0	−2.7	+4.3	+3.3							

	Industrial production		Personal expenditure		Prices and earnings					Labour (UK)			Visible trade (volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices	% increase on a year earlier	Wholesale prices: all manufacturing industry: basic materials and fuel used	Wholesale prices: all manufacturing industry: manufactured products: home sales	Average gross earnings of all employees (GB, all industries and services covered)	Unemployed excluding school leavers and adult students		Unfilled vacancies for adults	Export	Import
				monthly averages						mid-month count	% of total employees	mid-month count		
	at 1975 prices		at 1971 prices		(not seasonally adjusted)				(old series)				at 1975 prices	
Base of index £m in base year Series in	1975	1975	1971 16,296	thousands	Jan. 1974		1975	1975	Jan. 1970	thousands		thousands	1975 19,463	1975 22,699
1973	109.5	108.3	110.3	137.1	93.5	9.1	58.8	66.7	152.1	611.0	2.6	307.0	97.7	108.8
1974	105.1	106.5	109.0	102.8	108.5	16.0	86.8	81.8	179.1	599.7[2]	2.6[2]	301.6[2]	104.2	109.7
1975	100.0	100.0	106.7	97.2	134.8	24.2	100.0	100.0	226.6	929.1	3.9	148.0[2]	100.0	100.0
1976	102.0	101.4	106.5	104.7	157.1	16.5	127.0	117.3	261.8	1 269.3[2]	5.3[2]	119.7[2]	109.7	105.6
1977	105.8	102.8	103.6	107.1	182.0	15.8	145.6	140.5	288.5	1 378.0	5.7	155.8[2]	118.9	107.2
1978	109.8	103.6	109.2	130.1	197.1	8.3	144.6	153.3	330.2	1 376.5	5.7	210.4	122.9	112.6
1977 1st qtr	105.6	103.9	103.3	102	174.1	16.5	144.8	133.0	280.2	1 333.3	5.5	..	115.9	108.8
2nd qtr	105.5	102.4	102.4	104	181.9	17.4	148.8	139.6	284.4	1 353.4	5.6	154.3	117.7	110.6
3rd qtr	106.2	103.0	104.2	110	184.7	16.5	146.5	143.8	289.1	1 403.1	5.8	153.7	124.6	107.3
4th qtr	105.8	101.8	104.7	113	187.4	13.1	142.2	145.8	300.3	1 422.2	5.9	163.6	117.3	102.3
1978 1st qtr	107.0	102.3	106.4	128	190.6	9.5	140.2	149.2	310.9	1 415.7	5.9	185.9	119.6	113.5
2nd qtr	110.7	104.5	107.9	133	195.8	7.7	146.3	151.8	327.8	1 388.6	5.7	206.3	122.2	109.7
3rd qtr	111.5	105.2	110.7	133	199.2	7.8	144.9	154.8	335.7	1 367.9	5.7	215.2	124.8	114.9
4th qtr	110.0	102.6	111.7	127	202.6	8.1	147.1	157.3	346.4	1 333.7	5.5	234.2	124.8	112.3
1979 1st qtr	108.9	101.4	110.3	131	208.9	9.6	152.2	161.6	358.5	1 356.7	5.6	232.6	110.3	113.3
2nd qtr							160.5 p	167.9 p		1 304.5 p	5.4 p	255.0 p		
1978 May	110.0	103.5	108.2	127	195.7	7.7	146.8	151.9	326.2	1 384.8	5.7	205.6	120.5	113.3
Jun	111.1	104.9	108.6	142	197.2	7.4	147.0	152.7	333.0	1 378.1	5.7	213.4	121.9	111.1
Jul	111.6	105.1	111.0	111	198.1	7.8	145.8	153.8	333.2	1 370.2	5.7	211.1	125.7	114.3
Aug	112.1	106.0	111.7	142	199.4	8.0	144.2	154.8	334.7	1 373.4	5.7	211.8	124.5	111.3
Sep	110.8	104.4	109.6	144	200.2	7.8	144.8	155.7	339.2	1 360.2	5.6	222.8	124.3	119.1
Oct	108.8	101.7	110.2	133	201.1	7.8	145.7	156.6	344.5	1 349.9	5.6	231.8	125.9	110.8
Nov	109.8	102.5	110.5	126	202.5	8.1	147.3	157.1	344.5	1 331.7	5.5	234.9	122.5	113.7
Dec	111.5	103.7	113.8	121	204.2	8.4	148.3	158.3	350.1	1 319.6	5.5	235.9	126.0	112.5
1979 Jan	103.4	93.4	109.6	121	207.2	9.3	150.8	160.0	344.7	1 342.1	5.6	235.7	113.0	107.1
Feb	110.7	103.5	110.4	117	208.9	9.6	152.2	161.7	355.6	1 366.5	5.7	228.9	100.7	117.0
Mar	112.5	107.3	110.8	156	210.6	9.8	153.5	163.2	369.3	1 361.5	5.6	233.1	117.3	115.7
Apr	115.0 p	106.8 p	115.4	158	214.2	10.1	158.4	165.5	367.9 p	1 327.4	5.5	245.3	128.4	127.2
May			113.5	172	215.9	10.3	161.1 p	167.7 p		1 306.4	5.4	257.3	133.6	127.8
Jun							162.1 p	170.6 p		1 279.6 p	5.3 p	262.4 p		
% change latest 3 months														
on prev. 3 months	+4.1	+6.0	+1.3	+35.4	+3.3		+5.5	+3.9	+5.1	−3.9		+9.6	+11½	+10
on a year earlier	4.0	+2.6	+5.2	+20.9	+10.1		+9.7	+10.6	+15.0	−6.1		+23.6	+4	+11

p Provisional. e Estimate. [1] Including figures published on or before 9 July 1979. [2] Average of available months.

Inquiries: 01-215 3453

Foreign arrivals in the United Kingdom in January and February

During January and February respectively 396 000 and 390 000 foreign nationals entered the United Kingdom. This represents a decrease of 9 per cent on January 1978 and a decrease of 7 per cent on February 1978.

These figures are released by the Department of Trade and the British Tourist Authority. They relate to Home Office returns of arrivals of nationals of foreign countries except the Irish Republic and the Commonwealth (see notes, in particular note 4).

Arrivals from the EEC

In January 1979 arrivals of EEC nationals were 191 000, 10 per cent down on January 1978, and in February 205 000, 6 per cent down on February 1978. The largest decreases in January occurred in arrivals of Belgian/Luxembourg nationals (31 per cent), Dutch (16 per cent) and Danish nationals (12 per cent) and in February in arrivals of Dutch, French, and Belgian/Luxembourg nationals, of 13 per cent, 5 per cent and 7 per cent respectively.

The rest of western Europe

In January 1979, other west European nationals arriving in the UK totalled 67 000, a 13 per cent decrease on the 77 000 recorded in January 1978, and in February 1979, 65 000, an 11 per cent decrease on 1978. There were increases in arrivals of Greek nationals (6 per cent in January and 10 per cent in February), Swiss (1 per cent in January and 2 per cent in February), and Yugoslavians (13 per cent in February). Of the remaining countries the largest decreases were in arrivals of Turkish nationals (29 per cent in January and 24 per cent in February), Norwegians (29 per cent in January and 26 per cent in February) and Swedish nationals (24 per cent in both January and February).

Arrivals from the USA

Arrivals of USA nationals fell in January by 10 per cent to 67 000 from 74 000 in January last year and in February, by 8 per cent compared with February 1978.

The rest of the world

Arrivals of foreign nationals other than those from western Europe and north America totalled 71 000 in January and 65 000 in February 1979, representing an increase of 1 per cent in January, but a decrease of 4 per cent in February compared with 1978.

The trend of increasing arrivals of Asian nationals, excluding those from Japan, continued with increases of 7 per cent in January and 10 per cent in February compared with last year.

In January and February 1979 arrivals of Japanese nationals rose by 29 per cent and 19 per cent respectively compared with last year, a continuation of the upward trend recorded since October 1978.

Compared with last year, arrivals of east European nationals were up by 2 per cent in January 1979 and up by 11 per cent in February. Those of Latin America increased by 14 per cent in January and by 5 per cent in February compared with 1978.

There were further decreases in arrivals of middle east nationals of 14 per cent in January and 29 per cent in February 1979.

Considering the difficulties affecting travel throughout Europe in January and February, notably the severe winter conditions, and industrial disputes in the UK which affected travel services, the level of traffic is surprisingly good.

Inquiries: 01-212 5555.

Notes

1 The figures, collected by the Home Office, record the number of journeys made, so that a person who makes more than one journey is counted on each occasion. The figures for any particular country relate not to the place from which the passenger travelled, but to the fact that he or she was a foreign national admitted on the basis of holding a passport of that country.

2 Figures for the nationals of non-EEC countries include stateless persons, while an estimated addition has been made to the Home Office figures for the appreciable number of United States passengers arriving via the Irish Republic. All figures for non-EEC arrivals relate to visitors given leave to enter for less than 12 months, ie holidaymakers, business visitors, people coming to stay as guests of relatives or friends, other tourists, and those coming for permit-free employment for less than 12 months, and also include passengers given leave to enter for any period for the purpose of taking up a course of study. These categories comprise approximately 90 per cent of all arrivals. For EEC countries, all arrivals are shown, irrespective of the passengers' purpose of visit or expected length of stay. This follows the entry of the United Kingdom into the EEC, since when citizens of community countries are generally admitted to the United Kingdom without having to state their purpose of visit or expected length of stay.

3 Seasonally adjusted figures: simple comparisons of monthly figures between one year and another, or between adjacent months, must be interpreted with caution. The seasonally adjusted figures may provide a better basis for comparison with other months or for judging current trends. In estimating the seasonal adjustments, allowances have been made for changes in the seasonal pattern, which have been in the direction of a spreading of the tourist season, with some reduction in the summer peak relative to the rest of the year.

Adjustment was also made for the effect of the varying date of Easter on numbers of western European arrivals.

The seasonally adjusted series are liable to revision when subsequent figures become available and should therefore, for the most recent months, be viewed with caution.

4 Due to industrial action in parts of the civil service during February, detailed figures for this month are not available from all the ports for the numbers of foreign arrivals. The unadjusted figures quoted include estimates for the missing returns.

Foreign arrivals

Thousands per month

	Total arrivals of nationals of EEC countries (excluding Irish Republic) [1]		Foreign arrivals from non-EEC countries [2]							
			Nationals of rest of western Europe (non-EEC)		Nationals of United States		Nationals of other foreign countries		Total nationals of non-EEC countries	
1970	199		47		117		41		205	
1971	214		53		129		46		228	
1972	232		59		134		51		244	
1973	265		70		131		62		263	
1974	280		75		107		68		250	
1975	314		87		99		80		267	
1976	379		113		121		89		322	
1977	438		133		144		107		383	
1978	431		121		150		115		385	
1978	UA	SA	UA	SA	UA	SA	UA	SA	UA	SA
January	212	406	77	132	74	152	70	106	221	390
February	217	420	73	120	60	146	68	113	201	379
March	405	435	116	127	102	164	83	104	302	395
April	444	455	115	124	127	148	84	109	326	381
May	483	442	103	116	200	169	100	114	404	400
June	462	434	153	121	243	163	139	123	535	408
July	917	452	242	122	271	156	215	118	728	396
August	667	436	133	113	218	144	190	114	541	371
September	424	436	116	110	193	132	146	113	456	355
October	387	428	124	123	141	145	111	120	375	388
November	265	411	102	124	83	130	87	125	272	379
December	291	419	96	118	88	151	81	115	265	384
1979										
January	191	372	67	109	67	135	71	110	204	354
February [3]	205	394	65	105	55	134	65	107	185	346
Jan-Feb 78	429		150		134		138		422	
Jan-Feb 79 [3]	396		132		122		136		389	

[1] Total arrivals: all nationals of EEC countries admitted to the UK irrespective of intended length of stay or purpose (excluding Irish Republic). [2] Foreign arrivals (non-EEC): nationals of countries other than EEC or the Commonwealth admitted for less than one year for selected purposes – see note 2. UA = Unadjusted, Home Office. SA = Seasonally adjusted, Department of Trade. [3] Includes estimates for certain ports – see note 4.

Retailers' stocks in May

Based on the non-seasonally adjusted data on table 1, the level of retailers' stocks at book values in May was virtually unchanged when compared with the previous month and was 19 per cent higher than a year earlier; at constant (1975) prices the level was 9 per cent higher than a year earlier.

The estimate of the value of physical increase of retailers' stocks at 1975 prices and seasonally adjusted (table 2) suggests a fall of £17 million. As a consequence of the larger fallback in the seasonally adjusted volume of retail sales in May, the ratio of stocks to sales (table 3) increased in the month. It appears that retailers were maintaining their stocks at a relatively high level in May in anticipation of VAT changes occurring in the budget.

Inquiries: Department of Trade, Economics and Statistics Division 6C, Room 351, Sanctuary Buildings, 20 Great Smith Street, London SW1P 3DB, tel. 01-215 3705.

Table 1 Level of retailers' stocks

£ million — At cost at end of month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
At book values												
1975	2 766	2 814	2 947	2 856	2 948	2 985	2 962	2 963	3 139	3 452	3 700	3 333
1976	3 151	3 195	3 388	3 389	3 382	3 379	3 311	3 319	3 547	3 941	4 229	3 799
1977	3 656	3 726	4 095	4 163	4 165	4 220	4 029	4 037	4 286	4 695	5 170	4 417
1978	4 197	4 220	4 522	4 597	4 625	4 744	4 637	4 658	4 932	5 458	6 004	5 218
1979	4 812	4 897	5 416	5 485	5 487							
Change in book values												
1975	−120	48	133	−91	92	37	−23	1	176	313	248	−367
1976	−182	44	193	1	−7	−3	−68	8	228	394	288	−430
1977	−143	70	369	68	2	55	−191	8	249	409	475	−753
1978	−220	23	302	75	28	119	−107	21	274	526	546	−786
1979	−406	85	519	69	2							
Percentage change on a year earlier												
1975	15	17	17	10	10	10	10	11	13	14	16	15
1976	14	14	15	19	15	13	12	12	13	14	14	14
1977	16	17	21	23	23	25	22	22	21	19	22	16
1978	15	13	10	10	11	12	15	15	15	16	16	18
1979	15	16	20	19	19							
At constant (1975) prices – percentage change on a year earlier												
1975	−7	−6	−7	−12	−12	−11	−11	−10	−7	−5	−3	−3
1976	−2	−2	—	5	2	1	1	1	1	2	1	—
1977	1	1	4	5	5	6	3	3	3	2	5	1
1978	1	1	−1	—	1	3	6	6	7	8	8	10
1979	7	8	11	10	9							

Table 2 Retailers' stocks at 1975 prices

Seasonally adjusted — £ million

	Stocks level	Value of physical increase
1971		
1st qtr	2 720	−34
2nd	2 722	2
3rd	2 738	16
4th	2 766	28
1972		
1st qtr	2 776	10
2nd	2 834	58
3rd	2 809	−25
4th	2 795	−14
1973		
1st qtr	2 934	139
2nd	3 248	314
3rd	3 323	75
4th	3 419	96
1974		
1st qtr	3 356	−63
2nd	3 409	53
3rd	3 315	−94
4th	3 239	−76
1975		
1st qtr	3 134	−105
2nd	3 039	−95
3rd	3 079	40
4th	3 139	60
1976		
1st qtr	3 146	7
2nd	3 079	−67
3rd	3 125	46
4th	3 152	27
1977		
1st qtr	3 269	117
2nd	3 273	4
3rd	3 214	−59
4th	3 181	−33
1978		
1st qtr	3 243	62
2nd	3 371	128
3rd	3 425	54
4th	3 514	89
1979		
1st qtr	3 601	87
1979		
January	3 421	−93
February	3 415	−6
March	3 601	186
April	3 633	32
May	3 616	−17

Table 3 Relationship of retailers' stocks to retail sales

Index numbers – fourth quarter 1974 = 100 — Seasonally adjusted

	Stock levels at 1975 prices	Retail sales at 1971 prices	Ratio of stocks to sales
1966	77	83	93.6
1967	80	84	94.5
1968	84	87	95.9
1969	85	88	97.5
1970	85	90	94.8
1971	85	91	93.7
1972	86	96	89.9
1973	106	100	105.0
1974	100	99	100.7
1975	97	97	99.7
1976	97	97	100.3
1977	98	94	104.0
1978	108	99	109.0
1976			
1st qtr	97	96	100.7
2nd	95	97	97.8
3rd	96	98	98.8
4th	97	97	100.7
1977			
1st qtr	101	94	107.2
2nd	101	93	108.3
3rd	99	95	104.5
4th	98	95	103.0
1978			
1st qtr	100	97	103.3
2nd	104	98	105.9
3rd	106	101	104.8
4th	108	102	106.6
1979			
1st qtr	111	100	110.6
1979			
January	106	100	105.8
February	105	101	104.8
March	111	101	110.1
April	112	105	106.7
May	112	103	108.0

Notes for table 2

1 The index numbers of the level of stocks relate to the end of each time period; the index of sales refers to retail sales during the period.

2 The 1971 = 100 index of retail sales has been rebased on the fourth quarter of 1974 for the purpose of this table.

3 The index numbers of the stocks sales ratio are calculated from unrounded estimates of the data in the previous two columns.

Notes

1 The book values are valued exclusive of VAT.

2 For the estimates at constant prices, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the value series to constant prices become more acute. Thus the relative accuracy with which constant price changes have been measured is likely to have been reduced in recent periods.

3 The statistics given in table 2 were introduced in an article in *Trade and Industry*, 28 March 1975, and those in table 3 were introduced in an article in the issue of 17 March 1978.

4 Long-run series back to 1970 for table 1 and to 1967 for table 2 were included in the article in *Trade and Industry*, 22 September 1978.

Vehicle production: provisional estimate for June

Provisional estimates of vehicle production in the United Kingdom in the five weeks ending 30 June 1979 are shown below. More detailed production figures are due to appear in *Trade and Industry*, 10 August 1979.

Thousands

		Passenger cars		Commercial vehicles	
	No. of weeks	Recorded	Seasonally adjusted (monthly average)	Recorded	Seasonally adjusted (monthly average)
1975	52	1 268	106	380.7	31.7
1976	53	1 333	111	372.1	31.0
1977	52	1 316	110	398.3	33.2
1978	52	1 223	102	384.5	32.0
1978					
Jan	4	111	111	31.1	33.4
Feb	4	108	112	30.7	30.7
Mar	5	139	121	41.9	35.4
Apr	4	119	117	35.0	36.0
May	4	122	104	37.8	34.6
Jun	5	122	108	39.5	34.3
Jul	4	65	96	27.2	33.5
Aug	4	89	115	21.2	31.3
Sep	5	107	107	33.8	32.1
Oct	4	79	83	26.3	26.2
Nov	4	58	55	24.3	24.4
Dec	5	104	95	35.7	32.5
1979					
Jan	4	92	93	32.0	34.5
Feb	4	100	104	37.5	37.7
Mar	5	133	110	50.4	40.3
Apr	4	97	101	38.0	41.6
May	4	105	90	40.0	36.7
Jun	5	114	101	43.6	38.0

Inquiries: Department of Industry, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG, tel. 01-211 7272.

Wholesale price indices in June

Output prices

The price index for the home sales of manufactured products increased by 1¾ per cent between May and June to 170.6 (1975 = 100).

The index for manufactured products other than food, drink and tobacco also rose by 1¾ per cent between May and June to 170.0. Higher prices for petroleum products accounted for almost one half of the increase. The index rose 5 per cent over the latest three months.

Higher prices for milk accounted for just over a half of the 2½ per cent increase between May and June in the index for the food manufacturing industries. This index increased by 4¾ per cent in the latest three months.

The change in the index for all manufactured products, measured over a 12-month period, rose from 10½ per cent for May to 11¾ per cent for June. The increase in the index over the latest six months rose from 6¾ per cent to 7¾ per cent.

Input prices

The price index for materials and fuel purchased by manufacturing industry increased by ½ per cent between May and June to 162.1 (1975 = 100). The change in this index measured over a 12-month period was 10¼ per cent for June, compared with 9¼ per cent for May with the bulk of the increase being concentrated in the last six months.

The index for materials purchased by manufacturing industry other than the food, drink and tobacco industries, at 157.2, remained virtually unchanged between May and June. Further higher prices for crude oil which were only partly cushioned by sterling's appreciation against the dollar, made the largest positive contribution. However prices for materials other than crude oil fell by ¾ per cent; the most significant elements here were lower prices for hides and skins and copper and higher prices for lead.

Higher prices for milk for liquid consumption and for coffee were mainly responsible for the 2 per cent increase between May and June to 170.7 in the index for materials purchased by the food manufacturing industries.

Note

Since all the index numbers are compiled exclusive of value added tax, the recent budgetary changes in VAT are not reflected in the above indices. All indices for the latest two months are provisional and subject to revision. Larger revisions can be expected among the input indices.

1975 = 100

	Apr	May p	Jun p
Output prices (home sales)			
All manufactured products	165.5	167.7	170.6
Products of manufacturing industry other than food, drink and tobacco industries	164.6	167.1	170.0
Products of the food manufacturing industries	172.1	174.2	178.6
Prices of materials and fuel purchased			
By manufacturing industry	158.4	161.1	162.1
materials	157.7	160.4	161.5
coal, gas and electricity	162.2	164.9	165.4
By manufacturing industry other than food, drink and tobacco industries	155.3	158.4	158.6
materials	153.9	157.1	157.2
By food manufacturing industries	165.8	167.6	171.0
materials	165.7	167.5	170.7

p Provisional.

Inquiries: 01-215 3351.

Domestic furniture: deliveries and orders in May

Domestic furniture deliveries for May are provisionally estimated at £77.5 million (at current prices), which gives a seasonally adjusted index of deliveries for the month of 104. The average for the latest three months, March to May, is 109 which is 3.3 per cent higher than the revised figure for the previous three months, December to February, but 1.2 per cent lower than the figure for the same period in 1978.

The index of orders-on-hand, on a seasonally adjusted basis, yields a provisional figure of 93 for May. The average for the three months March to May is 86 which is a fall of 7.4 per cent from the revised figure for the previous three months, though 7.6 per cent higher than the corresponding period last year.

Revised method

A revised method has been used to calculate the index of orders-on-hand. The index now includes an estimate for firms not covered by the monthly inquiry. The indices are given on 1975 constant price basis, with 1975 = 100. When price increases are large, the problems associated with revaluation to constant prices become more acute. Thus, the relative accuracy with which volume changes have been measured is likely to have been reduced in times of high inflation.

Inquiries: Department of Industry, Room 107, Dean Bradley House, 52 Horseferry Road, London SW1, tel. 01-212 8662.

	Deliveries	Index of deliveries (1975 = 100)		Index of orders on hand (end of month or centred (average 1975 = 100)	
Domestic furniture	£m current values	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1975	578.9		100		100
1976	660.2		102		87
1977	751.7		100		75
1978	909.5		108		85
1978					
1st qtr	221.3	108	105	83	78
2nd	226.2	109	112	78	81
3rd	212.9	99	112	81	86
4th	249.1	115 r	106	99	96
1979					
1st qtr	255.1 r	111 r	105	96	89
1977					
Oct	73.4	112	101	74	73
Nov	79.1	120	101	82	77
Dec	65.9	99	105	76	72
1978					
Jan	70.6	104	103	87	80
Feb	72.9	106	104	85	78
Mar	77.8	113	107	79	77
Apr	76.7	111	113	82	84
May	73.2	105	109	77	82
Jun	76.4	110	113	71	79
Jul	59.0 r	84 r	110 r	75	82
Aug	68.0 r	95	113	86	90
Sep	86.0 r	119	113	92	94
Oct	85.2	118	102	95	95
Nov	91.0	125	106	105	98
Dec	72.9	100	111	100	96
1979					
Jan	78.4 r	105	99	99	91
Feb	82.9 r	108	106	94	85
Mar	93.9	122	110	87	84
Apr	81.0	104	112	83	85
May	77.5	100 p	104 p	86 p	93 p
Averages					
Dec 78-Feb 79			105		93
Mar-May 1979			109		86
Percentage change			+3.3		−7.4
Mar-May 78			110		80
Mar-May 79			109		86
Percentage change			−1.2		+7.6

r Revised. p Provisional.

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PQ 399.5 Drop forgings, etc, for first quarter 1979

PQ 413 Weaving of cotton, linen and man-made fibres for fourth quarter 1978

PQ 415 Jute for first quarter 1979

PQ 416 Rope, twine and net for first quarter 1979

PQ 442 Men's and boys' tailored outerwear for fourth quarter 1978

PQ 461.2 Clay building bricks and other non-refractory goods for fourth quarter 1978

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PQ 463 Glass for first quarter 1979

PQ 469.1 Abrasives for first quarter 1979

PQ 475 Wooden containers and baskets for first quarter 1979

PQ 481 Paper and board for first quarter 1979

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Please note

As from the first quarter of 1979, the M 10 monitor, which has previously been published at irregular intervals, will be published quarterly and will be numbered MQ 10. Its price will be £1.95 per quarter.

Copies of specific issues (including back issues) can be ordered by post (payable in advance) from the library at the Business Statistics Office, Newport, Gwent NPY 1XG, tel. 0633 56111, ext. 2973, telex 497121 – answer back BSONPT G.

Record reserves in June

The UK official reserves rose by $538 million in June. Accruals of public sector borrowing under the exchange cover scheme amounted to $261 million and repayments to $311 million. At the end of June, the reserves stood at $22,070 million.

The underlying reserves change each month is the result of a variety of transactions, both debits and credits, including, for example, transactions for government departments and with other central banks. The underlying change should not therefore be taken as an indication of the extent of market transactions during the month.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 6 July 1979.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
BRITISH					
Arabian Adventure	BR/E 40107/7/7/84	98	4 July	Columbia-EMI-Warner Distributors Ltd	Badger Films Ltd
Flare – A Ski Trip	BR/E 40108/7/7/84	19	4 July	United Artists Corporation Ltd	New Zealand National Film Unit
Short Circuit	BR/E 40110/7/7/84	9	4 July	United Artists Corporation Ltd	All Where Productions Ltd
Watchdogs	BR/E 40111/7/7/84	25	5 July	Columbia-EMI-Warner Distributors Ltd	Gerard Holdsworth Productions Ltd
The Europeans	BR/E 40113/7/7/84	90	6 July	Enterprise Pictures Ltd	Merchant Ivory Productions Ltd
Spaceman And King Arthur	BR/E 40114/7/7/84	93	6 July	Walt Disney Productions Ltd	Walt Disney Productions Ltd
FOREIGN					
Phantasm	F 40103	90	4 July	GTO Films (Distributions) Ltd	New Breed Productions Inc, California
Elvis – The Movie	F 40104	122	4 July	GTO Films (Distributions) Ltd	Dick Clark Motion Pictures Inc, California
Riding Tall	F 40105	72	4 July	New World Pictures Ltd	Patrick J. Murphy, A Platequ Production, California
Island Of Mutations	F 40106	90	4 July	Miracle International Films Ltd	Dania Film-Medusa Cinematografica, Rome
Lord Of The Rings	F 40109	134	4 July	United Artists Corporation Ltd	Saul Zaentz Production Co Ltd, California
'Buck Rogers' In The 25th Century	F 40112	89	6 July	Cinema International Corporation (UK)	Universal Pictures, California

AMENDMENT TO THE REGISTER

The registration number of the film 'Crossing The Rhine', registered on 11 June, has been amended to EC 40072/16/6/84.

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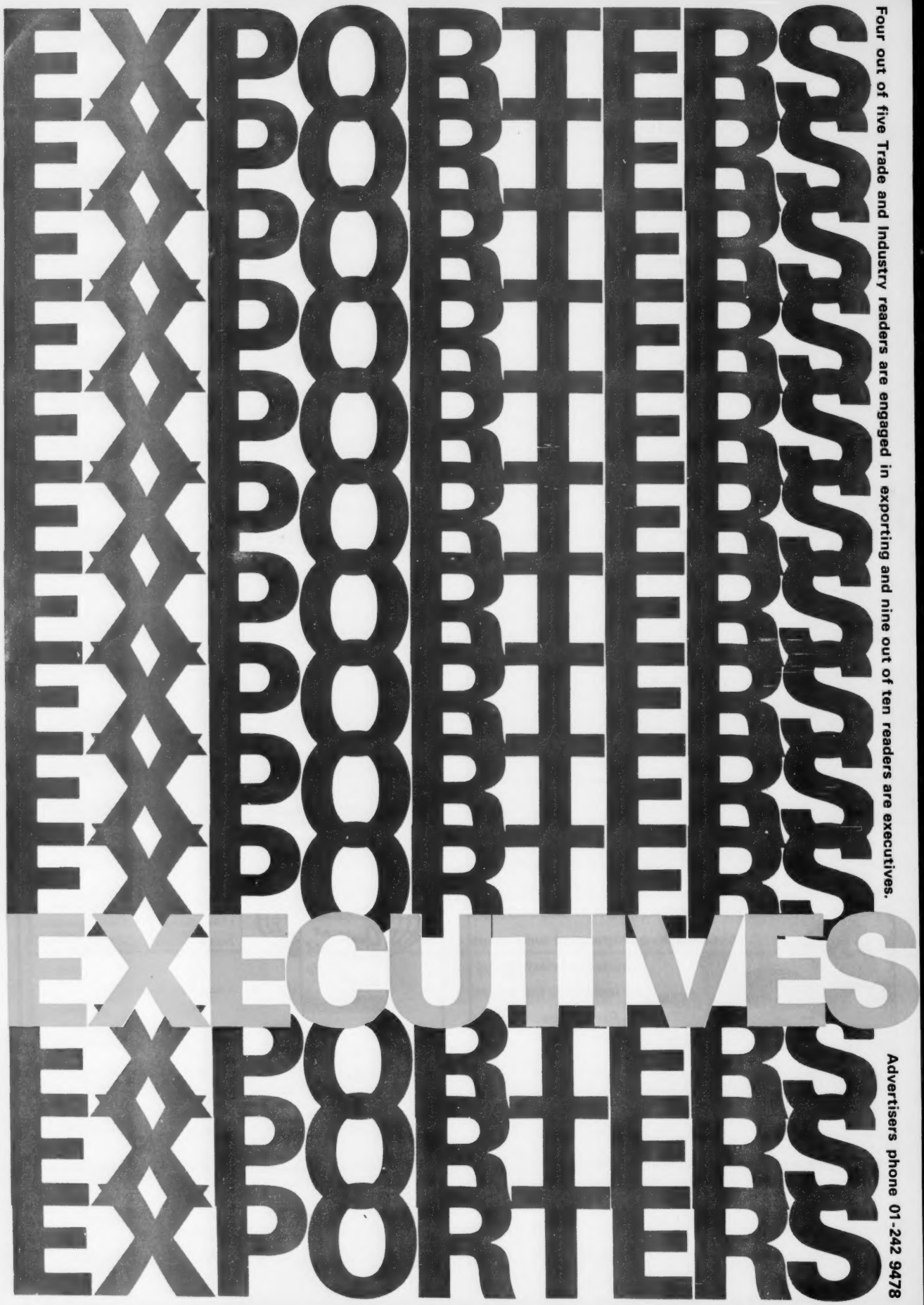
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